THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

November 8, 1947

THE PRESS IS NOT FREE

AN EDITORIAL

Rural Education In Shantung

Joseph I. C. Luan

World Crisis Near

J. R. Kaim

Report From Inner Mongolia

James Burke

ELECTIONS ABROAD

AN EDITORIAL

VOLUME 107 CNC$10,000 NUMBER 10

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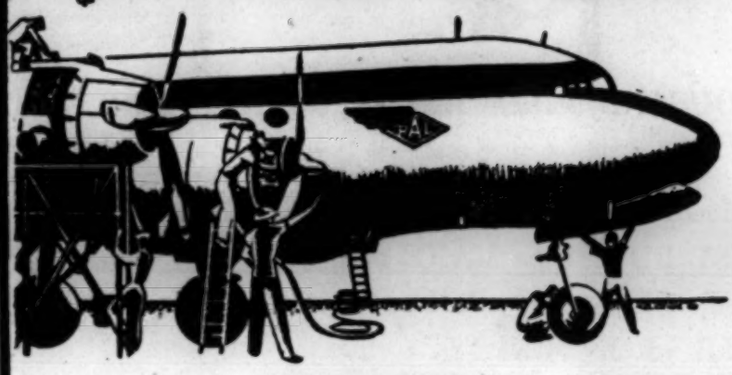

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

Thanks To Mr. Bullitt!

To The Editor:

After reading the lengthy article "China —A Report to the American People" by William Bullitt, the former US ambassador to the USSR and France, we, the Chinese lao pai hsing, feel obliged to express our thanks to him for his great effort in paving the way to the glorious object—world destruction—for his masters by whom he is fed. We congratulate him wholeheartedly for his great wisdom in working out a plot for world extinction. But with Mr. Bullitt's kind permission we wish to offer some humble suggestions for his reference.

First, if the "Super Emperor of Japan," Gen. MacArthur comes to China, we suggest Mr. William Bullitt as his chief secretary or adviser and also Truman's envoy plenipotentiary to China instead of Dr. John Leighton Stuart. For we think that around Truman and MacArthur there is no person more suitable, reliable and competent than Mr. William Bullitt to execute such a mad and cruel operation of bloodshed and slaughter for the extermination of the Chinese people.

Secondly, along with US guns, bullets, military equipment, personnel and the US$1,350,000,000, we suggest that Mr. Bullitt should carry some atomic bombs to China—obsolete in the eyes of the US masters and Mr. Bullitt, but certainly first grade weapons for the purpose of massacre in this anti-Communist crusade headed by the Chinese reactionaries and militarists to shorten the war of extirpating the Reds and the Chinese people, and then to annihilate all the Communists and peoples of the USSR and the world. We wonder why such a clever man as Mr. Bullitt should have forgotten and ignored this convenient and economic method for extinguishing every Communist and liberal.

If Mr. Bullitt and Mr. Luce feel that it may be too monotonous for the US militarists to exhibit their pride in the American Century, and too hard for the US Zaibatsu to sell their goods and distribute *Time*, *Life* and *Fortune*, if all the peoples outside the US are annihilated, we earnestly suggest that they ask US scientists to invent a kind of atomic bomb, which when dropped only kills the Reds and people (including the US people, of course) who are against the reactionaries and diehards in the US and elsewhere.

Dear Editor! we wish anxiously that you will deliver our hopes and suggestions to the US president, Harry Truman, and his bosses, Arthur Vandenberg and John Dulles, or Bullitt and Luce.

E. H. Y.

Hangchow, Chekiang,
October 22, 1947.

Upright Criticism

To The Editor:

In reading the October 18 issue of the *Review*, I take particular interest in the editorial in which you, rid of the fear that it might provoke irritation, uprightly criticize the fallacy of our governmental administration without reservation. In this part of the world the voice of truth has been so suppressed that it is scarcely to be heard now. Your straight

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and justified comments win my greatest respect.

What you quote from one issue of the *China Newsweek* in the editorial is really of interest, I could hardly believe the fact that as time's wheel has been advancing from the primitive age to this century there would be some people still hoping to pull it back. Such absurdity of thought is an utter disgrace to our country, especially because it is published abroad. We protest against it. We could not bear to share the disgrace which due to the indiscriminating, archaic brain of a minority has been raised.

T. P. LING.

Shanghai,
November 3, 1947.

English Lessons

To The Editor:

Your new articles on English are greatly appreciated. As a matter of fact, we Chinese readers are to a large degree unfamiliar with the usage of many current expressions though they are now commonly used by you American as well as British people. Since these expressions cannot be found even in the best dictionaries, like Oxford etc., or in any phrase book, your work in dealing with it will undoubtedly render us great help for improvement in both reading and writing.

It is hoped that these English lessons will be extended from one page to two pages at your convenience.

LEE MING-HSIN.

Sian, Shensi,
October 21, 1947.

Again Birth Control

To The Editor:

I read the very interesting letter on birth control in the October 18 issue of your *Review* over and over but did not find any real argument against my letter on the same subject that appeared in the October 4 issue. There is no evidence in my letter that I look on children as brutes or dangerous diseases (In fact I love brutes—dogs, cats, cattle, horses, one and all.) It is because I care about people, from infants up, that I allow myself to step into such a controversial issue as birth control. When I say birth control need not be wholesale it should be understood as meaning not enforced or negotiated in blocks. If things falling within a certain classification are indiscriminately processed in a given way, it is wholesale; whereas if individual cases are handled one at a time, with full compliance to the wishes of all parties involved in the transaction, it is not wholesale, no matter how many billions of cases there may be. Illustration: millions of housewives buy groceries everyday, yet such buying of groceries constitutes no wholesale operation. When I say birth control need not be drastic, I mean nobody need feel seriously out of adjustment because of it. Illustration: graves are in sense considered sacred in China, yet millions of them are obliterated every year—undrastically, because nobody is put out of adjustment. On the other hand the forced closing of dance halls in Shanghai is both wholesale and drastic, because it suddenly puts all people of a certain circle seriously out of adjustment. That inverse ratio idea is entirely Reader's own fabrication, and the "do away with all the Chinese people" idea does not come within the province of birth control, nor as I see it, can it be achieved without resort to gross injustice and violence. I advocate birth control, or planned parenthood as some people call it, not blithely, but soberly, as one of many important measures that can improve China's condition. Any opponent of birth

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control jeeringly calling it "the solution" is not facing the issue squarely. Illustration: if I say we can double our enjoyment of life in winter by heating our homes to 70°F., my statement does not warrant any of the following ideas: (1) that 70°F. is better than 68° or 77°, (2) that comfort is to vary directly with temperature and we shall be still more comfortable at 140°F., (3) that it is best to burn down our homes, and (4) that by heating our homes to 70°F., we should ignore all other important factors related to the enjoyment of life and forget about eating food, wearing clothes, taking physical exercise, seeking intellectual improvement, etc. As to whether I am confused, or most advocates of birth control are so, I need not retort.

The section on "400,000 years" is not quite clear. Suppose there are 1,000 Western trained doctors to China's 100,000,000 child-hearing women, does it mean that it takes four doctor-years to service one woman-year of birth control? That does not sound very convincing even if we relegate birth control service as a sideline for our doctors engaged mainly in combatting typhoid, etc. Anyway the small number of western trained doctors constitutes no argument against birth control, for otherwise we might also say that statistically it should take China's doctors thousands of years to service her whole population one year and we might as well discard Western medicine. The real point is to train more doctors. With fewer mouths to feed, China can channel some of her energy from combatting hunger to raising her educational level, including the founding of more medical schools. That many of the 636 different kinds of contraceptives are harmful is true, let us say 630 of them, but there are still a few not appreciably harmful. Birth control is not related to an anti-parental complex, it is rather a sensible parental responsibility doctrine. Quacks should be combatted by the dissemination of knowledge and enactment of food and drug laws; useful remedies must not be withheld from the public because of fear of quacks' exploitation.

Will Durant's statement, as quoted, only indicates that solution of one problem led to creation of another of more profound significance. That is often true. But whatever disappointment he experienced he did not feel justified in saying that now he was against birth control. Similarly the experience by Western nations of the ill effects of industrial revolution does not warrent China's shunning industrialization, nor does creation of the atom bomb justify a world wide ban of science (my objection to the use of atom bomb has been stated in my first letter. I may add that for China to import 100 atom bombs is not any easier than to enlist 10,000 doctors from abroad. Moreover, it seems that atom bombs are more capable of "doing away" the tops and "doing away" the bottoms. My plea to set up birth control clinics in rural parts emphasizes the "bottom," meanwhile it constitutes no threat to natural family aspirations of "the peasant millions who love children," and, may I add, who sell their beloved children at a penny a child during the ever recurrent famines.

Now I might as well show how my estimate of reduction of our population to half its present size in 30 or 100 years is arrived at without the benefit of statistical data. If we suppose two couples out of every ten are naturally barren, and each of the fertile couples gives birth to two children on the average, and that 20 percent of all children born die before reaching maturity, and assume a life cycle of 25 years, it is reduced to half in 30 years. Similarly allowing three births minus on the average to each fertile couple and we have reduction to half in 100 years. Of course some fertile couples may like to have more than two or three children, then there are others who like to concentrate their resources on one or two. Even Confucius never said anything against a one child family, and if it is against some feudal ideas, let us do away these feudal ideas.

After all, reduction to half is a convenient way to carry on discussion, and if a few million unwanted babies and their parents are saved from experiencing miserable hardships in our poverty-ridden country through birth control, I, as an advocate of birth control, shall feel very much gratified, although actually I wish we had a population not even half as large as the present one.

C. F. L.

Peiping,
October 22, 1947.

WhereAreTheCulprits?

To The Editor:

It seems ages since our gendarmes killed seven civilian policemen and three laopaihsing right outside of the "Golden Castle." It seems ages because the Nanking authorities have repeatedly promised that those guilty would be dealt with in line with the military law. This seems to have been made merely to "impress" the Shanghai people. The "Golden Castle" tragedy is just another example of the traditional Chinese way of finishing a thing—by not finishing it at all.

The Nanking Government endlessly tells the world that every effort is being made to improve its administrative efficiency. If it really means what it says, it should not find it difficult to realize that procrastination and efficiency are utterly incompatible.

The Ministry of Defense has been trying the involved gendarmes (and the

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civilian policemen) for quite some time. In order to demonstrate to the man in the street, it should lose no time in issuing a statement explaining why up to now the judges have not been able to arrive at a verdict. Another point it should clarify is why the civilian policemen have been detained as witnesses, while the culprits have not yet been handed over to a competent court of law. From press reports, it is gathered that the Defense Ministry is in no mood to apply the defunct "perpetual martial law," probably because under the martial law the guilty should be punished all the more severely.

ANTI-PROCRASTINATION.

Shanghai,
October 14, 1947.

Own Petard

To The Editor:

This is my righteous reaction to David Conde's articles on "What Toje's Cellmates are Thinking" printed in the September issues of the *Review* regarding MacArthur's occupation policy in Japan, and to Philip Jaffe's "America: The Uneasy Victor" reprinted by the *Review*, about the Truman Doctrine and its opponents ("A thing of beauty is a joy forever" and it is a documentary indictment of the fallacies and untenabilities of that infamous doctrine), both of which fully evidenced that American foreign policy, aspiring to world domination instead of world leadership for peace and prosperity, has been cockeyed and trembling like a jelly because of its over emphasis on American dollars and atomic bombs in the name of combatting Communism. Mr. Jaffe and Mr. Conde have conscientiously, patriotically and dispassionately pointed out that the Truman Doctrine together with MacArthur's unilateral policy in Japan is nothing more or less than to bribe the wicked not for peace but for war—vide American reactions to the Truman Doctrine's activities in Greece, Turkey and China, to say nothing about its tolerant attitude toward Argentina and Spain, the British atrocities in Palestine and the Dutch-French military campaigns, respectively, in Indonesia and Indo-China. They have also proved definitely that "ideas can still be the mother of invention," that is to say, the idea to connive with the wicked can be the ultimate and immediate cause of World War III, thus demonstrating the moral turpitude and the "intellectual bankruptcy" of the Truman Administration, having made the Executive branch the scapegoat of the American Centurions.

It is divine of America to forgive the former Fascist Japan but it would be both unpardonable and disastrous to America in particular and to world peace in general to forget that craftiness, vindictiveness and "Asia for Asiatics" constitute the grain of the Japanese race, to wit, Col. Stimson in his article, "Atomic Bomb" (*Reader's Digest*, March, 1947) said: "If the Japs knew that America had only two atomic bombs then I am sure that the Japs would not have surrendered, but would have fought to the finish to cripple America 'to give us Asiatic co-prosperity or death.'" MacArthur's plan to make Japan a bastion against communism is sublime but it would be altogether stupid, to forget that America's General Arnold, said lately "America would be the target of the next world war;" that Conde said in his article "America is like Argus in the Greek story of the Beautiful Lo who had 100 eyes to watch Lo but the soft enchanting music of Mercury would soon close up the 100 eyes and Argus would be killed;" Vernon Barlett, a British journalist, wrote for the liberal *News Chronicle*, August 5, 1947, reprinted in the *China Press* (August 6,) that "the Indians, Australians, British, New Zealanders 'who played an important part' in defeating Japan are without any control over that country to an extraordinary degree," regarding which Maxwell S. Stewart in his article Our Record in Japan (*Nation*, July 26, 1947), said "so far the occupation has been almost entirely an American show. The Far Eastern Commission in Washington, and the Allied Control Council in Tokyo have functioned chiefly as debating societies;" and a *New York Times* editorial "Moscow and After," (*Reader's Digest*—July, 1947) said that "The war agreements—Atlantic Charter, Pacts of Teheran, Yalta, Potsdam (Cairo) and Charter of UNO called for a demilitarized and democratized Japan." (Certainly not the type of Japan MacArthur imagines).

Evidently, Gen. MacArthur has innocently, or otherwise, overlooked and been hooodwinked by the Japanese' subtle tactics, their accomplishments thus far and their further aspirations as enumerated by David Conde in his "Jap Leaders are still Cleyer" in the August 9 issue of the *Review*. The Japs used the inflation of occupation costs, the delay of production recovery as a potential bastion against Communism and the Allied disunity plus a few minor niceties such as the entertainment of the American staff and stopping the wartime anti-Allied hate propaganda. Thus the Japs have secured the following direct and indirect benefits, namely, the postponement of land reforms; the delay in purging war criminals and dissolving the Zaibatsu; war indemnities reduced (the original Pauley reparations program curtailed); election laws revised; Hirohito's powers—old and new—maintained; Japs' fishing area expanded; two US loans of US$30,000,000 and US$100,000,000, plus technical assistance and food-

"Via CGRA

In the final analysis, there is no other solution to a man's problems, even in the year 1947, but the day's honest work, the day's honest decisions, the day's generous utterance, and the day's good deed.

—CLARE BOOTH LUCE.

●

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stuffs. MacArthur told visiting US newspapermen that US policy is to reestablish "the Greater East Asia Co-prosperity sphere without its military aspects;" in turn Japanese cries of "Banzai" were heard, Jap-US alliance, return of colonies, regaining markets and a grant of minimum land-navy-air requirements for self-defense.

Thus I am driven to the conclusion that history will prove again that he who instigates war will lose it and that "in China as elsewhere in the world, the United States must stand for democracy and not try to build frail dikes against communism with worn and useless feudal bricks." Let us wish that God could be made more understandable to man since "man is made after the image of God" or "the Fascist Phoenix," that is to say, the world would become more chaotic even than it was before its creation and that America, destined to lead the world from darkness into light and glory, would not be "hoist on her own petard."

CHINESE JOHN THE BAPTIST.

Chengtu, Szechuen,
October 17, 1947.

Who Is To Blame?

To The Editor:

I read some unfortunate news in the *To Kung Pao*, this morning.

C. H. Kang, a graduate of a certain middle school in Shansi province came to Shanghai, wishing to take an entrance examination to a university this summer. But he failed in it, and what's more, he cannot return to Shansi which has now become battlefield of the Civil War. In Shanghai he has no relatives. Because of his economic condition, the cruel life forced him to steal; this is the only thing he could do, except die of hunger. Finally, he has been caught....

Is this news true? I believe it, undoubtedly, and I am in full sympathy with Mr. Kang. I cry aloud: Who is responsible for the poor student becoming a thief? The Civil War should be held responsible for this. I wish that everyone would pay attention to this news, especially the government authorities.

I am a poor student just as Mr. Kang, but I am more fortunate than he, as I have a job and I can support myself. If not, I dare not guarantee that I, myself, would not become a thief, too.

Y. Y. WONG.

Shanghai,
October 26, 1947.

Happy Philosopher

To The Editor:

From time to time we hear that many profitable gadgets have been perfected by the Chinese writer Dr. Lin Yu-tang who is now living in the "Gold Dollar Empire." He has completed the invention of the Chinese typewriter. Recently it is said that he has finished writing a book "The Time and Life of Su Tung Po" (it has been changed to "Gay Genius" in order to secure more royalties for the author). During the eight most critical years of Japanese invasion, this "gay genius" and fortunate gentleman was abroad, escaping from the calamity, distress and misery undergone by all his countrymen (I don't know if he changed his nationality during these years). He donated nothing to this holy struggle; his well versed humors and satires fell high from the clouds, while on the dirty ground the lower and vulgar people of China were sacrificing their lives and all. Yes, this philosopher and writer may well feel happy. He is happy that he has shunned the unnecessary loss of body and wealth as those unfortunate and doomed Chinese who are still suffering have done. He is happy that by living far away in the "gold paradise" he can avoid the threat of the "growing tiger;" meantime, he can prepare weapons for

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same other tiger hunters and instigate them to kill and destroy the tiger. He is happy that in that "Gold Dollar Empire" he can continuously and conveniently sell his humors and his "parables for nothing" to those gullible readers who want such things, so he can return to China with quantities of Gold Dollars. What is more, besides serving his US masters, with his warped though interesting explanations and misrepresentations abroad he is now serving his masters in the home country again.

I don't agree with Lao Pai Hsing's supposition that those scholars living in or returning from the States know no more about China than the foreign correspondents and observers. They know well all of it, but they ignore it. The deeds done by the KMT in the past years are notorious within and without. Anyone, after staying in China a month can see the sad facts. Why not these fellows? They only pretend to be poorly informed so as to secure your excuses for their reactionary performance in supporting and assisting the dominating class.

Studying Mr. Lin's background, one will find that originally he was merely an empty philosopher and writer persistently serving the bourgeoisie. Since he made good money by his writings in the Gold Dollar States, he has "completely ignored the terrible poverty, awful illness and the nationwide illiteracy" of his countrymen and their grievances and suffering under the oppression, squeezing, tyranny and slaughter of the dominating despotic regime. He takes no trouble to help the Chinese people. On the contrary, he walks closer and closer to the reactionary diehards.

If someone thinks that these words are too severe and extreme for this happy genius, I will let things stand for themselves. Remember, when Henry Luce's *Time* published the fanatical eulogy of Dr. Chen Li-fu, the most notorious leader of the extreme rightist CC Clique within the KMT, every conscientious Chinese and American was surprised at its bold endeavor to present the most unbelievable misinformation and misconception before its readers. For this dangerous piece of writing the *Review* spent its precious space to correct it. But what does our humorist and genius think about it? The day following its publication, he sent a telegram to *Time* in which he greatly praised *Time* and its Nanking correspondent, Frederick Gruin. At first, I regarded it as an another type of humor, but our great and brilliant teacher, the respected late writer, Mr. Lu Hsun pointed out with his sharp pen 15 years ago: "The literate are good for playing."

Personal attacks are a bad thing. But here I would like to shoulder the cross of that crime so long as we have the duty of uncovering the performance of those voluntary spokesmen for the reactionary regime, living in the States today. Most American readers are poorly informed about China, but out of respect for these Chinese writers they will accept their deceitful statements. The US is now under the control of reactionary politicians and militarists; we hate its present policy and expansion but we welcome enthusiastically the sincere and trusting friendship between the plain people of the US and China. To secure it we should clarify those misconceptions such as the statement made by Lin Yutang, the lengthy article on China by William Bullitt, etc. To achieve such an aim the *Review* and some other papers of a similar nature, should take the full responsibility, and with them will be the humble support of the Chinese laopaihsing.

H. Y.

Shanghai,
November 1, 1947.

IMPORTANT NOTICE

THE *China Weekly Review* will not publish anonymous letters in these columns. Every letter intended for publication must bear the writer's NAME and ADDRESS, for the information of the editors. In cases of group petitions, statements or announcements, the letter must be signed by a responsible official or delegate, likewise for the information of the *Review*. If it is specifically pointed out that the author wishes to have his letter published under an assumed name, or his initials, this will be complied with, and his identity will not be divulged. However, as said above, in all instances the *Review* must be aware of the identity of the writer if he expects to see his communication appearing in these columns.—*EDITOR.*

The Last Issue?

To The Editor:

Congratulations on your stimulating publication, which, after each week's reading of nauseating dailies, comes to refresh our minds with its intelligent viewpoint. I wonder how long you will be able to keep it up; each week I say to myself, "surely this will be the last." Perhaps they dare not suppress you.

One thing, however, depresses me concerning the *Review* and that is its lack of news about Hunan. In Hunan is surely revealed the Real China. It is certainly one of the most intriguing provinces of the Middle Kingdom. The people show great energy and enthusiasm. There is no such word as "corruption" in the Hunanese dictionary, but a great deal of private enterprise goes on. It seems hardly credible that as recently as last August, Hunan was threatened with a dire famine—averted by the prompt actions of UNRRA-CNRRA—and now, Hunan is able to give vast quantities of rice and canned food for the successful prosecution of Civil War, and for the stimulation of trade in Canton, Hankow and Shanghai. It speaks well for the boldness of the administration and for the loyalty and hard labour of the laopaihsing. The accomplishments of CNRRA in this region will surely fill a significant page in the history of relief work in China. More things have been wrought by soup powder than the outside world dreams of.

Please endeavour in the future to give a more adequate coverage of events in this province; I'm sure the publication of the details of what is going on will serve as an encouragement and inspiration to liberal forces everywhere. I am not in a position to speak my mind, otherwise I could a tale unfold whose lightest word would harrow up some people's souls.

STRONG GOVERNMENT.

Changsha, Hunan,
October 26, 1947.

Reformation?

To The Editor:

Dr. Ku Yu-siu, the principle of National Political University gave a lecture today in our school on "The Movement of National Resurrection." He said history shows every country must undergo three stages—Renaissance, Reformation and Revolution. He took many examples to prove that and added that our country has a long period of both Renaissance and Revolution, but that the period of Reformation is very short though the latter is more important. To perform it, he said, social education and agricutural education are very important.

As these two kinds of education are so important in our country, why do the Government and the education authorities neglect them. And as our college is of this nature, why are the funds for this school so much lower than for other schools. I am very puzzled that no one pays attention to such an important thing. Dear Editor, can you answer me this question?

KING SIH QUE.

Wusih, Kiangsu,
October 24, 1947.

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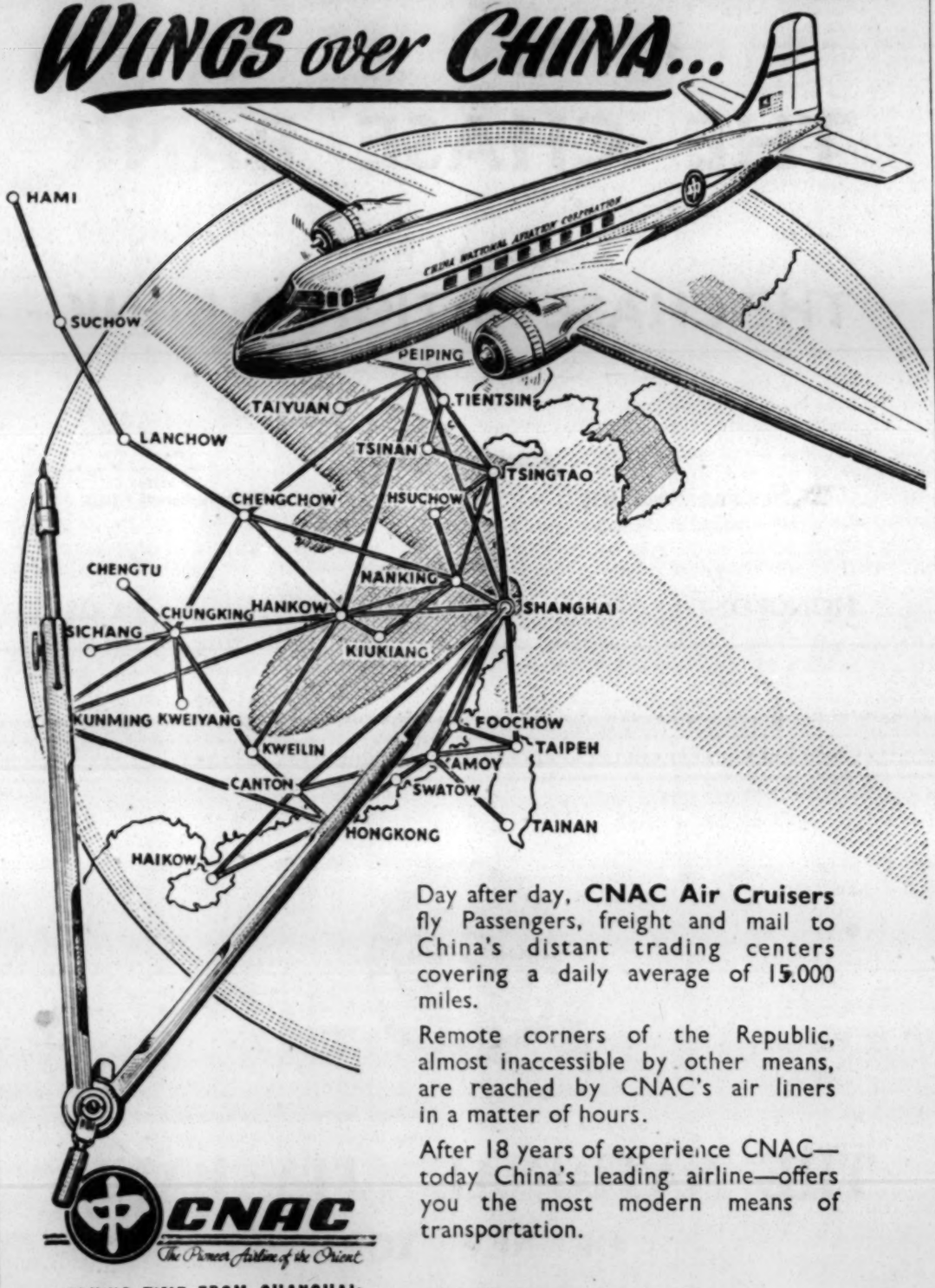

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Vol. 107 Shanghai, Saturday, November 8, 1947 No. 10

The Press Is Not Free

IN one respect, at least, Nanking should be satisfying Washington these days. That is in the realm of confusion and contradiction, often referred to by the expression that the right hand does not know what the left hand is doing. This contradiction has never been so well exemplified as during the past few weeks' statements and counterstatements regarding the Government's plans for censorship of the press.

Three weeks ago we predicted that press censorship was in the offing. At the least, we said, it had become evident that the Government *wanted* to impose curbs on the press. We cited what we considered sufficient proof. A few days later Dr. Hollington K. Tong, chief of the Government Information Office, again denied that the Government planned any such move. About a week later the local press again carried rumors of an impending censorship. Again Dr. Tong declared that there would not be any censorship.

However, at this very minute the Legislative Yuan is considering a proposal which would mean censorship. The measure under consideration is referred to as a proposal to revise the existing Press Law, although the proposal actually suggests the banning of publication of several kinds of information.

The seriousness of this gradual trend toward censorship of the press is much greater than most people realize. It has been in progress for several months and, unless the public is fully informed of this state of affairs, it shortly will have nothing but "approved" editorials and news to read. The Government may well deny that it plans censorship, but even if it denies it a hundred times, the fact remains that ever since the lifting of censorship following VJ Day, the Government has moved slowly and steadily toward *censoring and controlling* the publication industry in China.

* * *

SHORTLY after the end of the war, censorship was lifted in what had formally been Free China. A little while later, after considerable protest from publishers in the "recovered areas," as well as from foreign pressmen who were shifting the scene of their operations to the coastal regions, the Government repealed all censorship regulations for the entire country.

Immediately there sprang into being scores of independent publications throughout the country. Many were supported by special groups or personalities interested in obtaining for themselves a "voice." For a short period the Government was roundly criticized and condemned in the press of a dozen cities. Obviously, this must have been tough medicine for a regime that had not allowed one peep of critical expression for many years. It apparently became too much for many local satraps, for in cities such as Canton, Chungking, Kunming, etc. papers were closed by the military, sometimes on one pretext or another and sometimes without any explanation. However, a perusal of the list of papers thus closed throughout the country shows that almost all had previously gained some local repute for their attacks on corruption, inefficiency, the lack of democracy, the continuation of the Civil War, etc. While the powers that be undoubtedly could—and certainly would, if asked—produce plausible reasons for the closure of these papers and, in some instances, the jailing of the editors and other staff members, the fact remains that rarely were branches of the party or military organs interferred with, or rarely were the mouthpieces of powerful local politicos or militarists suspended.

In more cosmopolitan centers such as Shanghai and Nanking, the independent publications had more freedom than their contemporaries in the hinterland. This was partly because these cities, being a few steps further along the road from feudalism, had to be tackled in a more modern manner. Another reason was the presence of a large number of foreigners, especially Americans. While extraterritoriality is finished, the foreigner in China today generally still enjoys considerably more freedom and prestige than do the natives of China. In a city such as Shanghai, what the few thousand American residents say and think carries quite some weight with the Government, especially since Nanking's bankrupt regime still hopes to secure another instalment of the Washington dole.

Gradually, however, the Government—or influential groups of politicians—moved to stamp out what remained of the independent press. The *Sin Wan Pao* and the *Shun Pao*, formerly two of China's greatest papers and formerly privately owned, were "reorganized." until today their exact ownership is not clear. However, one has only to peruse their editorials for a few days to learn to which Kuomintang clique they adhere. A few months ago the last two papers which could have been referred to as the "opposition press" were closed by the police, despite the fact that there is today no legal censorship regulation. Various pretexts were given, the substance of which is unimportant, since it was plainly obvious to all that they actually were closed because of their constant and bitter criticism of the Government.

Today there is practically no such thing as an independent paper in China, unless the three or four foreign publications put out in Shanghai might be given that designation. Occasionally, to be sure, some Chinese paper publishes an attack upon the Government. However, such occasions are not frequent and, unless specifically aimed at some person or group, are usually couched in rather general terms, such as comments to the effect that corruption is bad, etc. On other occasions some particular officials or political cliques are attacked personally. Investigation into the ownership and/or support of the journal involved, however, will usually indicate that it is merely another round in the never ending feud between Kuomintang politicians and, therefore, from the point of being an example of press freedom, has no significance whatsoever.

Following the securing of control of the existing press and the closing of the independent and opposition papers, the Government set about formulating various rules governing the operation of newspapers and other types of publications. These rules, blandly explained merely as an attempt to bring order into the chaotic, fly-by-night publishing business, provided, among other things, for pre-publication registration, making it an offense to launch a new publication without having first obtained permission from the Government. Regardless of the explanations given, the fact remains that no single independent paper has been started since the last independent papers were closed. To anyone who reads the daily press, the need for a vigorous, critical, honest Chinese paper in Shanghai—and other cities in China as well—is more than obvious.

Next step in the overall plan for censoring and controlling the press was the placing under control of newsprint, which is imported. The quarterly allocation is made by the Government and then the various guilds concerned get their membership into a huddle and individual quotas are made up, supposedly on the basis of their honest circulation. However, it is well known that all papers claim a greater circulation than they actually have. This has always been standard practice in China where such a thing as an audited check of circulation figures does not exist. It is reliably reported that some favored publications actually receive more newsprint than their requirements and are thus able to sell the surplus in the blackmarket. If true, this is a neat way of subsidizing friendly papers. In any event, the mere acquisition of a quota which entitles the possessor to buy his newsprint at the official open market exchange rate and at a normal commercial price acts as a subsidy. For those forced to go into the blackmarket for their newsprint the price may run as much as 1,000 percent higher.

Actually, there is nothing wrong with the idea of allocating imported newsprint bought with Government foreign exchange. What is wrong is that it is almost certain death to those publishers who may be left without a quota. Once on the quota list, it takes a strong editor to write what he pleases and perhaps risk having his quota cut off or reduced. Too, it is very apparently a blow to the many Chinese publishers who have never been given a quota and who have no hope of getting one. The temptation, we imagine, might be strong to begin publishing Government Information Office handouts in the hope of getting put on the quota list.

Recently, it was announced that in certain areas, where conditions were upset because of the Civil War, the local military commanders had been authorized to impose a censorship of the mails and telegraphs in order to prevent leakage of vital information to the Communist "bandits." This is a small thing, but it is perfectly in keeping with the trend. Shortly thereafter US Ambassador, Dr. Leighton Stuart, in an informal talk with the members of the US press corps in Nanking, advised the pressmen that the Government was upset about the large number of critical stories they were filing and asked if they had any ideas as to how the Government could improve its relations with the foreign press representatives. While Dr. Stuart probably didn't realize the hot potato he had grabbed hold of, the whole thing smacks of a little too much suggestion from the Government. Dr. Stuart could not possibly have known that the Government was upset unless someone extremely high in that government had told him so. If nothing else, it indicates that what the foreign press—as well as the internal press—says is of considerable concern to someone. The "someone" is not difficult to identify if one realizes the Government circles in which Dr. Stuart moves. Likewise, the matter of press criticism must stand pretty high on the Government's "problem list" if it is brought to the attention of the American Ambassador.

* * *

THE latest development in the trend toward *censorship and control* is the proposal before the Legislative Yuan, a short news story concerning which apparently prompted Dr. Tong's latest denial. While Dr. Tong may be most certain that the Government is not planning to impose censorship, the reports of the measure now proposed certainly look like an abridgement of press freedom to us.

According to the *Ta Kung Pao* of October 27, the Revised Press Law was passed at a "ministerial conference" on the previous day and submitted to the Legislative Yuan for examination. The full text of the law consists of six chapters and 43 articles. Following is a translation of the *Ta Kung Pao's* summary of the main points:

> **1) The items which should not be published include: a) Those designed to overthrow the Government and endanger the Chinese Republic; b) Those which are detrimental to friendly relations with other countries; c) Those designed to impair public interest and to undermine social order; d) Those which mar the reputation of the chief executive of the country or that of another country; e) Those which are injurious to public morals; f) Those which are injurious to other people's reputation and credit; g) Those which defend either of the parties who are involved in an open lawsuit.**

2) In time or war or rebellion or in case of necessity, the authorities concerned may, in compliance with the order of the Central Government, prohibit or restrict the publication in printed matters of reports on the political and military situation, foreign relations or conditions of local peace and order.

3) Foreign nationals should publish printed matters in accordance with the stipulations of this law, and at the same time, abide by the press law and other laws concerned in China.

4) The Ministry of the Interior may ban the importation of printed matters published in other countries, which violate the stipulations of this law.

There are various interpretations throughout the world today of the meaning of a free press. In England and America it means the kind of press that has flourished for several centuries—a press owned by private individuals, free from government controls and/or ownership, and which is theoretically run by responsible men with a high sense of public duty and honor. In Russia, where the press is state-owned, freedom of the press has a different meaning. While we personally have never been able to understand just how the Russians can call their press free, we know that they do and that, in their charges against the English and American press, they hit a weak spot when they claim that the Anglo-American press is not free because of control exercised by advertisers. In any event we recognize that the Anglo-American press has its imperfections, but imperfect as it may often be, we still prefer it.

Nanking today claims that the press is free in China. We think that we have demonstrated in the foregoing that without a shadow of a doubt it is not free, according to our conception of a free press. If the proposed modification of the Press Law is passed in its present form by the Legislative Yuan, even Russia's press will look free beside China's. Although toeing the Marxist line, Russian papers have been known to occasionally criticize some section of the Soviet Government in startling exposures of graft and inefficiency. Under the new Press Law China's press will not even be able to do that, let alone function in the interests of the public. If the Government is so determined to *censor and control* China's publishing industry, it must fear it. No proper government ever had any reason to fear a free and responsible press.

On The Other Foot

WE were particularly impressed by the vigor with which a *Central News Agency* correspondent denounced the Philippine Government's new regulation requiring aliens to obtain an "exit permit" before leaving the country. While such matters usually are of little importance, we thought that, in view of the anguished howls raised by foreigners subject to a similiar regulation in China, this case of the shoe being on the other foot well demonstrated the essential inconsistency of human nature.

Ever since the Chinese Government imposed restrictions upon the free movement of aliens in China after the end of the war, foreigners have repeatedly described the whole idea by a series of uncomplimentary adjectives running from such extremes as "ridiculous" all the way to "fascistic." The Central Government has denied the correctness of all such allegations and has done its best to defend the regulations. Chinese papers have even gone so far as to claim that the foreigners are unhappy about such "formalities" because they still have the "Treaty Port Mind," and cannot become used to the new situation under which China is master in her own house.

Now it appears that the Philippine Government has decided to do the same thing and we find the correspondent of China's official news agency devoting about half of his "news" story on the subject to a bit of editorializing designed to prove that the new law is not only unfair, but "against the law."

For what it's worth, we pass along to the "unhappy" aliens in China the bitter words of the *Central News* reporter, who is faced with a similar situation in Manila. He says: 'The new system is regarded as counter legal in nature for it presumes that every alien departing from the islands is guilty of evading taxes or in other offenses unless he can prove himself innocent. It is stated, hovever, that most of the departing aliens are innocent but they have to pay through the nose, in time, money and annoyance, for the two percent of international thieves, crooks and gypsters who make it a business to defraud government agencies."

Elections Abroad

REPORTS of the preparations for the coming elections — which have been rumored as postponed — in China are not very gratifying. There is some displeasure in the ranks of the so-called minority parties over the manner in which delegates are to be apportioned for the people to vote for; there is general discussion, even if in subdued tones, that it would be wiser to postpone the voting until the situation in China "is stabilized." On the whole, there is enough to do to get the voting started at home, and the Kuomintang has run into serious difficulties and predicaments in this job. However, a development has been in progress abroad in recent weeks in connection with the national elections which shows that those who are determined to "hand political power back to the people" are not exactly cognizant of the limits such national elections have.

On October 24, *United Press* reported from Manila that the American-owned *Daily Bulletin* editorially declared that the rejection of the Chinese elections for the Legislative Yuan in Manila has no "connection with inhospitality and the refusal is no expression of dislike or animosity." The paper argued that the question was one of Philippine sovereignty.

"For nationals of one nation to conduct a peculiarly sovereign act of exercising their voters' franchise on the soil of another is an unseemly

act that seems to extend the prerogatives of the country outside their permitted sphere and could conceivably lead to all sorts of abuses.

"The Philippines has enough worries of her own in the coming election... To allow the Chinese elections would be to invite more headaches with nationals of another country throwing political mud at each other."

We feel that more issues are involved in this proposed Chinese election abroad, in this case the Philippine Republic.

The Chinese Republic has only recently divested itself of extraterritorial rights enjoyed by foreigners which infringed on Chinese sovereignty. Therefore, the picture should still be vivid in the minds of the Republic's leaders as to what such extrality rights mean. It is therefore quite difficult to comprehend what kind of logical or illogical thinking has led the Chinese Government to attempt to conduct an election on Philippine soil. Was there ever any chance of success? Was the matter really thoroughly analyzed, before being transformed into an application with the Philippine Government? There may be bad feeling on the Chinese side owing to the Philippine refusal, but the whole affair reminds us very vividly of the ill fated "export subsidy plan" of some time ago. No sooner was it mooted than it had to be rescinded. This is bad politics, to put it mildly. There should be enough expert foreign educated Chinese advisers in the Government to preclude the recurrence of such political faux pas at regular intervals.

Viewed from China's point of view, we can imagine the hue and cry if, say, American citizens resident in Shanghai were to start a campaign in preparation for the coming elections in 1948. It is true that there are an insufficient number of Americans here to really infringe on China's sovereignty through an election, and besides, Americans in China hold out against the assimilation process that is noticeable with Oversea's Chinese all over South East Asia. The American community in China is a separate community, and its members can in no manner be confused with Chinese citizens. This cannot be said of Chinese in the Philippines.

In spite of this sharp demarcation between Americans and Chinese here, the former intend to hold no kind of national elections on Chinese soil. It is true that Americans residing abroad are automatically out of the election campaign in every manner—the law even says that persons may not vote or be elected unless acting in their proper states of residence at the time of the vote. Therefore, much as Americans here may regret their inability to vote or be elected, the law in this case has wisely provided otherwise.

Furthermore, another important consideration for national elections abroad is the lack of contact with home politics on the part of those who would like to participate. There is too much probability of voters being duped by one-sided propaganda to hope that Chinese voters, say, in the Philippines, would vote for the right people if given the chance. There is nothing like seeing, to believe, and in the case of national elections, seeing is believing. It is in China's best interests that Chinese of voting age should not participate in the elections if they have lived abroad too long and have been out of contact with Chinese politics. Promises and past achievements are good enough; for elections, current politics has no peer.

There is also another case which comes to mind in connection with elections abroad. Russian emigres residing in China for the best part of 30 years received their passports with the decree of the USSR Supreme Soviet in January, 1946. In February, 1946, an election was on in the Soviet Union and it is safe to say that the new Soviet citizens were itching to cast their ballots for the first time, for some, in their lives. It can only be imagined what the commotion in Government circles would be if the subject had been broached by the Soviets.

In recent months, Chinese Government action has been directed toward eliminating the last vestiges of extrality rights, however formal these may be. The Foreign Office here has ordered closed the Soviet, and later the Jewish, arbitration courts—purely domestic affairs, set up for intra-national litigation, such as solving business

"PATTERN FOR BOOM AND BUST"

Fitzpatrick in The St. Louis Post-Dispatch

tangles and creditors' claims. The parties in question complied and there are no such courts in existence in China, to our best knowledge.

In view of the foregoing it is only logical that the Kuomintang should reconsider its attempts to hold national elections abroad. This was tried in Siam, but rebuffed; in Hongkong, also rebuffed; in the Philippines, also rebuffed. There just doesn't seem to be any other place left to try, except maybe Japan.

It must be pointed out that such measures which any thinking individual can predict are doomed to failure should not be resorted to by the Central Government, for they add no lustre to its foreign relations and detract considerably from prestige at home.

Drop In US Exports

FOR the fourth consecutive month, US exports have been falling off, starting with June, 1947. May exports reached the highest point in American history: US$1,422,000,000. In July, two months later, they fell off by 19 percent; in August, the decline is said to have been nine percent, and in September, another four percent. There is a certain slowing down in the downward trend, but American economists believe that there will not be any reverse for the rest of the year—exports are expected to keep declining through November and December.

One reason for this pessimistic outlook is the sharpness with which this decline began, and the other is that the falling off affected all major regions of the world. The only regions where the decline was not drastic were the Middle East and the Asiatic regions. This phenomenon is generally attributed to the so-called "dollar shortage" which, incidentally, came precisely at the time the US loan to Britain convertibility clause went into effect. Some countries have already begun to sell their gold stocks to the United States to keep on buying American commodities. This week is was reported that French gold was being secretly shipped to the United States. Britain has already sold a portion of her gold, and is planning to sell another. On the whole, it is estimated that about US$20,000,000,000 worth of greenbacks is still in the possession of potential American customers, but this figure appears to be insufficient to boost American exports.

It is needless to stress that in this curtailment of exports lie the seeds of Boom and Bust so ably portrayed by cartoonist Fitzpatrick. American export surplus per month has recently hit a fantastic US$1,000,000,000, and shows the reluctance of the United States to buy other people's products, while selling its own in prodigious quantities. The only thing the US seems willing to buy is gold, tons of which have found their way to Fort Knox in recent weeks. Economists in the United States have called this gold hoarding "a tribal custom:" it is dug up; we pay $35 per ounce, and then bury it in the ground again. This is one commodity which the United States is willing to import without tariffs and in unlimited quantities.

Maybe economists in Washington know something we poor mortals are never destined to understand, but we sure hope they are right in what they have been up to. And we sure hope Fitzpatrick is all wrong about this Boom and Bust business.

25 Years Ago In The *Weekly Review Of The Far East*

Conference Notes

November 4, 1922.

BEFORE going on to discuss the gains of any particular country from the Conference at Washington, let us say that no nation, whether participating or otherwise, has suffered any loss. "The Conference work," spoke President Harding in the Senate, "was not directed against any Power or group of Powers." Nor was it designated for the purpose of judging the deeds of any particular nation—as was suspected prior to the gathering. Presenting the Conference treaties to the Senate on February 10, President Harding also said that the Conference treaties had despoiled no Power. "The delegates of every Power participating adjourned with every right and authority with which they came, except that which was willingly and gladly given to further the common welfare."

* * *

Burning Question

Strong indications have it that a decided change will be made in the Peking political situation at an early date. The election of the president is an ever burning question and is causing much political excitement. General Wu Pei-fu is said to favor the re-election of General Li Yuan-hung. Various reports say that Li Yuan-hung's legal term is up and that he has no further claim on the office, therefore they figure on the relative strength of Li Yuan-hung and Tsao Kun. The latter is estimated to have the money and the power which will get him about six tenths of the authority in the government, while Parliament would retain the other four tenths.

10 Years Ago In *The China Weekly Review*

Serious Menace

November 6, 1937.

DR. H. H. Kung, Vice President of the Executive Yuan and Minister of Finance, delivered a speech at the weekly memorial meeting of the Central Kuomintang Headquarters in Nanking on November 1, in which he stated that Japan's policy of war and aggression is a serious menace to peace and the vital interests not only of China but of all peace loving nations particularly of those who are signatories to the Nine Power Treaty and, therefore, both justice and self interest demand that these Powers should take a concerted action to uphold the letter and spirit of the Nine Power Treaty as courageously and resolutely as the Chinese people have been resisting the aggressor.

* * *

Close Cooperation

Dr. Hans Luther, noted German economist and one time Chancellor of Germany, who arrived in Tientsin, October 31, from an inspection tour of Manchukuo and North China stated in an interview with *Domei* that "Germany will work in close cooperation with Japan in order to realize the economic development of North China." Regarding the economic development of North China, Dr. Luther said, "I was told that financial circles in Japan would welcome the influx of foreign capital in North China." The German economist added, "as trade relations between Germany and Japan are developing smoothly in accordance with the trade accord, Germany will not hesitate to cooperate positively with Japan to realize the economic development of North China."

Rural Education In Shantung

Joseph I. C. Luan

Tsinan, Oct. 23,

WHEN 85 percent of a nation's population is illiterate, as is the case with China, there can be little hope of that nation progressing rapidly towards prosperity, but there is a critical danger of a retrogression on the part of the people. The educational conditions in Shantung, the province with which I shall deal in this article, are probably among the worst in China, since Shantung has been the object of militaristic tyranny since the founding of the Republic. The natural result of such a history is an obvious apathy on the part of the people who do not know the meaning of "patriotism," and are virtually ignorant of everyday current affairs. In this article emphasis will be placed on free education in the villages and an analysis will be made of the various difficulties faced in developing educational facilities therein.

Stability Necessary

One of the most essential prerequisites of educational development in Shantung is a stable rural society, so free education is naturally greatly limited by the fact that of the 107 hsien in Shantung, only a little over 40 are in Nationalist hands and even in most Kuomintang areas, small groups of Communist soldiers are constantly active.

The free educational system is aimed at benefiting three categories of people:

1) Compulsory education for children from the ages of six to 10; complete primary education for children between six and 12.

2) Children from 12 to 15 receive illiterate children's education.

3) Illiterates from 15 to 45 receive mass supplementary education.

According to the Education Law, a four-year primary school should be established in each pao—containing 60 to 150 families or six to 15 chia—and a complete six-year primary school in each hsiang or chen—six to 15 pao. Each of these schools should be divided into two sections, the Children's Education Section and Mass Education Section.

The five year plan for education proposed that in the interior of China, from August, 1940 to July, 1945, and in formerly occupied territory from V-J Day to 1952, educational facilities should have been extended to 90 percent of the children and 60 percent of the illiterates. However, because of the nationwide split, such a plan has served no useful purpose, nor is it likely to do so.

Education Promoted

During the last two years, the educational authorities in this province have been endeavoring to promote free education in the rural communities. The official figures on the opposite page show their "achievements" in 26 hsien, and the capital city, Tsinan.

Tsinan has 104 primary schools, attended by 47,000 pupils. The number of pupils attending schools in the other 26 hsien total about 325,000. It is estimated that about 900,000 school aged children are unable to receive the benefits of education in these 26 hsien alone.

The mass education scheme has been carried out successfully mainly as a result of the farmers' poverty stricken condition and the calamities, both natural and man made, which they continually face. The farmers in Shantung not only must work continually to maintain their meagre standard of living, but are often forced to work on fortifications, trenches, highways and do other kinds of "free labor." Their need is for physical rest rather than education.

Building Shortage

In addition, under present circumstances establishing schools in villages is almost hopelessly hampered by the shortage of buildings. In most villages, owing to destruction by the Japanese and Communists there are no available buildings, while Nationalist troops occupy any space which might be utilized as a classroom. Consequently many schools hold classes in small poorly lit huts, while others use Chinese temples.

Almost all schools are short of efficient equipment, lacking in sufficient desks and benches, blackboards, reference books for the teachers, etc., and since the rural communities are always on the verge of bankruptcy, there is little likelihood of the farmers being able to support the tremendous expense the purchase of better school equipment would entail.

In most rural communities, the inhabitants have either not come in contact with, or refuse to accept, modern influences, or new culture. In these feudal controlled areas, the peasants will not allow their children to study foreign literature. They permit their sons to read Pei Chia Hsing, the One Hundred Family surnames, San Tze Ching, the Three Word classics, etc. in old style private schools. Their conception of education is that their children should recognize some characters, or be taught to write or read letters, deeds and contracts. Moreover, as most of the farmers are frequently forced to do "free labor" their children must work on their soil instead of studying. "No parent would be so hard hearted as to force his son to do heavy work," a farmer told me when I was inspecting a certain school last spring. "It is the war that deprives them of their right to an education."

Opposite Environments

While the village public schools are advocating modern educational methods, the rural communities are steeped in feudalism, so the schoolchildren find themselves in two opposite environments. Their teachers tell them how to become good and honest citizens, while their families place emphasis on the fact that learning is the stepping stone to becoming a bureaucrat, a member of the local gentry or a millionaire. At school they are told that Buddha, and the gods and goddesses are mere idols, unworthy of the being worshipped by human beings, while their parents assert that Buddha is almighty. Obviously, these contradictory statements lead to suspicion on the pupil's part and cause further drawbacks to the progress of modern education.

Another acute problem is the number of unqualified teachers. At least 50 to 80 percent of the village school teachers are poorly educated. They are unable to read even the commonest words and find difficulty in answering the simplest questions in arithmetic or science. Once when I was examining some candidates for teachers' licences, I found that many of them did not even know the name of the governor of the province nor the name of the nation's capital. I asked one man the name of the first great battle in ancient China and his reply was the Sino-British Opium War. When asked why a plane flies, I was told it was because the plane

SORRY FATHER!

Lon Yu Fortnightly

has wings....Besides their lack of ordinary knowledge, I have often had complaints from villagers about the mean behavior, dishonest conduct and abusive language of some school teachers. This also creates dissatisfaction among the farmers and increases the difficulty of promoting education.

Further training over a short period would have very little effect on the incompetent teachers. In fact, any kind of reform will be in vain, unless the authorities can encourage the intellectual youths to go back to their native countries and serve their villages. But this is virtually building castles in the air.

Slogans Useless

Ever since pre-war days, this nation has been loudly shouting: "Youths! Go back to the villages!" "Culturally backward places need youthful hands!" etc., but these slogans are useless unless the overwhelming difficulties are first of all done away with. The young men who are living in large cities have their own ideas and ambitions. First of all, they are eager to acquire modern knowledge—they want to progress. Naturally, a rural life could not satisfy such demands. Secondly, they have grown unused to life in a village; farmers' customs, habits and material conditions would be unfamiliar to them. And the last, but perhaps the most important, reason for the reluctance of young people to return to the rural areas, is that they would find it impossible to stand the remnants of feudalism which are so deeprooted in the rural districts.

On the other hand, free thinking intellectuals are not welcomed by native folk, especially village leaders. These leaders are so powerful, even the native governments find them

Type of School	Number of Schools	Number of Teachers	Number of Classes	Number of Pupils
Four-year Primary	3,633	9,139	6,605	218,926
Complete Primary	629	4,921	3,170	128,731
Private Primary	68	662	399	21,488
Total:	4,330	14,722	10,174	369,145

impossible to deal with. They are in a position to starve the teacher, should they wish, or use any other means to sabotage the development of rural education in order to maintain their power over a feudal society.

As a contrast to these depressing conditions, I have seen some things which make the future seem brighter. I have seen peasants who are willing to send their children to study in public schools in spite of economic difficulties, because they realize that education is important. I have seen many village leaders enthusiastically find houses and prepare them for use as schools. This does not always mean that they believe education is of vital importance to our national reconstruction, as some probably believe that by evincing some interest they will win public support and enhance their reputation. Nevertheless the educational authorities are hopeful at such signs. I have seen young men and women who are willing to begin their profession of teaching in village schools and stand firmly against feudalism, although some have been dismissed by the authorities because of their "fear of nothing."

In political "vacuum regions" there is no possibility for either the KMT or the CP to establish schools, as native conditions are not suitable. Immediately after the withdrawal of Communist troops from a "iberated area," the Nationalists face a new and seemingly unconquerable problem. All young and able bodied men and women are forced to evacuate at gunpoint, only children and old people are left behind, and their minds have been implanted with Communist ideas. To reeducate them, the authorities must make extraordinary efforts, preparing special textbooks, and gradually by the good example shown them by the authorities they may incline their beliefs towards the Government.

State Of Bankruptcy

It is obvious to all that unless the Civil War stops, nothing can be put in order. Successful promotion of education depends on sufficient funds and social stability, and the longer the war continues the longer will education remain in a state of bankruptcy. In the meantime, the authorities should take drastic measures to overcome the difficulties that have been mentioned herein. The first step must be to uproot the feudal elements in rural regions. Try to encourage the intellectuals to go to villages and guarantee their freedom and rights while there. The authorities should also regularly check and adjust teachers' salaries, for any delay entails hardships.

China must improve her educational potential at all costs. But we suggest that the principle of education should be based on democracy and freedom. Any course that veers from these essentials is opposed to the will of the people.

"Make Way For The Army!"

S. E. Shifrin

Tientsin, Oct. 30,

IT is spreading in town like wildfire. People talk about it on streetcorners, and in clubs, discuss it in barbershops and cinema lobbies. Cooks and house-boys pass it on. Ladies and gentlemen fond of talking high politics discuss it. It is the most democratic development of the year. Everybody is talking about it. "It"—the news that the Army is coming.

Some talk about it loudly as an accepted fact. More timid souls buttonhole acquaintances watching the reaction. There are Chinese and foreigners who cover up by prefacing the news with a supposed opinion that of course the thing is impossible. Possible or impossible, they too help spread the good news around town.

There are the people with the clincher. They *personally* have seen bars and night clubs closed for the duration of the ban on dancing, redecorating the premises and putting elbow grease into polishing the dancing floor. What if there are establishments with a "Temporary Closed" sign. That doesn't prove anything. They simply didn't get the word yet. There are always slowpokes in every business, no?

Trying to trace the news to its source is labor lost. For all the good it does, it may have been in the air since Creation. The news is everywhere. A Chinese teacher retails it as a rumor. A houseboy quotes a mysterious "They", but he has an additional detail to contribute. Fifty thousand troops are coming. A pedicab man knows it was broadcast shortwave, a Russian housewife has seen it in the papers. You don't question a lady's word by being rude and asking her to be precise. A foreign businessman has heard that it appeared in a Chinese newspaper. He isn't sure about the name. He doesn't read Chinese himself. He might have been told the paper's name, but you know now it is with these Chinese names!

Some say the whole matter will be decided by November 7, and no asking why. Why *not?* Others are no longer speaking of a modest 50,000 troops. It is 200,000 soldiers that are coming. Then of course there are the skeptics and the scoffers. *They* don't believe a word of it. They never do, the smarties. Always it is proof they want. Wouldn't they like to know the source of the news, or the exact time and place of disembarkation, wouldn't they, just?

They won't believe it even after being told that the troops are all-Negro units, and that billets are being prepared for them in Peiping. They say they believe nobody and nothing but their own eyes. If they refuse to believe that the US Army is coming to North China let them just wait and see for themselves. Let them.

Tragi-Comedy Of S. China Trade

WANG SZE-ZEE

EIGHT days after the promulgation of the revised Regulations for Import and Export Control on August 23, another modification on the control of imports in South China was informally introduced by the Kowloon Customs, thus providing a comic relief to the tragically strict ban on imports.

The quasi "new deal" came in the form of a certificate officially called the "Passengers' Export Baggage Receipt," which authorized its posessor to export vegetables, fruit, poultry, suckling pigs, cattle and eggs from Canton and nearby suburbs to Hongkong and Macao, without the necessity of undergoing the regulated procedure as provided in other export rules. The certificate, issued by the Ta Tsai Customs upon application, also allowed the exporter to import goods of equal value without an import license. But the imported goods had to go directly to Canton, through the subcustoms under the supervision of the Kowloon Customs; transportation to other ports was forbidden. This new decision though in contradiction to the spirit of the revised regulations, is said to have been approved by the Import and Export Board in Shanghai.

Taxation Increase

According to reports, this divergance from the national trade control policy was aimed less for the amelioration of trade in South China or for the benefit of Chinese merchants in Hongkong than as a means of increasing taxation. Observers here in Hongkong believed that it was a sign of a compromise on the part of the Chinese Government, instrumentally employed to facilitate the resumption of negotiations of the Sino-Hongkong Financial Agreement which were aborted several weeks ago.

However, the new method was certainly a stimulant to the stagnant Hongkong-China trade. Exporters in Hongkong were gratified and tempted, the colony's exports to China were promoted and the Chinese Government's taxation revenue was increased. A rough estimate showed that the daily exports from Hongkong to South China amounted to between HK$300,000 and HK$700,000.

The bi-functional certificate was dubbed "Tung Tien Chun" by Chinese merchants, meaning "omnipotent certificate." The Tung Tien Chun was much easier to obtain than an import license and provided for more privileges, such as (a) no limit to the value of a Tung Tien Chun, either for exports or imports, was stipulated. Goods valued at HK$200 to HK$200,000 were equally acceptable; (b) no limit to the number of certificates to be issued to each person was specified; (c) All manner of goods, except forbidden items, were allowed, and exporters in Hongkong could export to Canton any amount of goods providing their value was covered by a Tung Tien Chun.

No sooner had the Tung Tien Chun been introduced to the public than it immediately became an object of speculation. Tempted by big profits, merchants in Hongkong fought madly for the possession of one of these valuable certificates. In the first few days after its introduction, the selling price was about 125 percent higher than its original value, and as demand increased the market price gradually lifted to the peak of 160 percent.

Schemes Devised

Merchants immediately devised schemes, and various steamship companies, communications organizations and other transportation agencies sent men to Canton to negotiate with exporters of animals, and edible foods and purchase "Passengers' Export Baggage Receipts." The communications organizations almost monopolized the certificates as they contracted to transport and deliver the goods to Hongkong free of charge, and pay in cash about 120 percent over the par value of the certificate if it was over HK$10,000.

Wealthy exporters in Hongkong who, with a view to obtaining inexpensive Tung Tien Chun, assigned funds and agents to buy animals and edible vegetables and fruits in Canton fared extremely well. As these commodities were actually only an excuse to introduce Hongkong's exports by accumulating Tung Tien Chun, certain merchants discovered the key to the question and made round trips with their goods, acquiring duplicates and even triplicates of different certificates of the same value with the same commodities. Finally Customs discovered the plot and were forced to stamp identifying marks on the cattle, poultry, sucklings, vegetables and fruits in the hope of checking this new development.

As a result of the new system, complaints were soon heard in Canton that prices of the above commodities were increasing, consequently the provincial PPC passed and submitted to the National Government a resolution requesting the removal of the "new deal" in order to recover the normal market situation.

Master Stroke

In Hongkong, quarrels developed between the exporters and the transportation agencies. The former took for granted that the Tung Tien Chun system was a master stroke exclusively for their benefit and viewed with high spirits its potentialities, but later it transpired that they were handicapped and powerless to fight against the intruders—the transportation agencies. They found also that the promised profits were not forthcoming and in rage and humilitation demanded an improvement in the technique of issuing the omnipotent certificates.

Prospects dimmed when Mr. Chang Kia-ngau, Director of the Central Bank, arrived in Canton on September 15. It was reported that Mr. Chang had made an investigation of the system and that several high ranking officials and businessmen had suggested that the Tung Tien Chun be cancelled. At a press conference, Mr. Chang asserted that this system was not connected with the Sino-Hongkong Financial Agreement, but did not divulge his decision on the Tung Tien Chun. Asked if it was contradictory to the current import control system, Mr. Chang said that he would confer with the Customs before answering the question. It is believed in Hongkong that Mr. Chang did actually make a decision in Canton which matured after he returned to Shanghai, for on September 22, the Kowloon Customs announced the invalidity of the issued Tung Tien Chun and the comedians involved found themselves approaching a catastrophic finale.

The announcement declared that the previously issued certificates were invalid as of September 22, and that hereafter each new receipt, despite its high par value, would be limited to imports valued at no more than HK$500; the receipts with a par value under HK$500 are permitted to be used. The announcement enumerated import items which would be acceptable, among which were chemicals, medicines, books, used newspapers, wheat, flour, bicycles, building materials, yarn, salted fish, cereals, glass, cotton cloth, metal, milk, cream, autoparts cement, etc. Industrial materials and foreign paper are not included in the list.

Heavy Blow

This is a heavy blow to the Hongkong market, and many buyers of Tung Tien Chun are on the verge of bankruptcy. Prior to the announcement, one large transportation company had bought several hundred thousand dollars worth of Tung Tien Chun at an increase of 150 percent over the original price, but now these certificates have become waste paper overnight.

Merchants in Hongkong are intensely irate over these developments. Various meetings to work out methods to counteract the imposed misfortune have been held. Mr. Tung Ching-wei, Chairman of the Chinese Chamber of Commerce in Hongkong, made two calls on the Kowloon Customs. In their first interview, Mr. Tung submitted an appeal for the continuation of the Tung Tien Chun, which the head official at the Kowloon Customs, regretfully refused but added that he would consult with Shanghai. In the second interview, he promised to consider the appeal.

The market is in a turmoil. Trade

Report From Inner Mongolia

James Burke

Kalgan, (By Mail).

THIS Inner Mongolian border city is changed. The Japanese left it with a modern section of concrete buildings and smooth, wide thoroughfares, contrasting sharply against the ancient crenelated walls and narrow fumbling streets of the older city. But there is a more significant change: Kalgan no longer bustles with camel caravans and expectant merchants, the busy market place for Mongolia's great fur and skin trade. That trade has practically vanished. In its place are soldiers, the well fed, greenish uniformed troops of General Fu Tso-yi, the National Government's commander of the Inner Mongolian border provinces of Chahar and Suiyuan.

The Japanese war and subsequent developments have moved the Inner Mongolian border backward in history, back to its old role as primarily a military rather than a trade frontier. It is a less publicized frontier than Manchuria, but one fraught with no less dangerous possibilities for Nationalist China. While the world was centering its attentions on Soviet armies ripping down through Manchuria in August, 1945, other Russian forces, with their Outer Mongol allies, were racing across the rolling Mongolian steppes. Few people now remember that the Russians were down as far as Kalgan in a matter of days despite stiff Japanese resistance south of Changpe.

Situation Obscure

Since that time, the situation in Inner Mongolia has been badly obscured and I had set out to try and learn what was going on. I wanted to travel as far as possible up the old Urga Road, to see how far north Chinese government control extended.

There was no trouble about the first stage of the trip—the 45-kilometer climb from Kalgan to Changpe, just over the rim of the Mongolian plateau. Commercial "buses" make this run daily and all you need is the determination to squeeze aboard one of the overloaded vehicles—old Ford trucks salvaged from years of rough Japanese army service. At Lan Wo Kou (Wolf's Nest Pass), which opens out on the plateau, there still are scars from the brief but bitter battle between the Russians and Japanese more than two years ago. Long, deep trenches slice across the rolling grass slopes and a concrete bridge lies where it was blasted. According to one story, the Japanese offered to surrender after the first day's battle, then reneged when reinforcements arrived from Kalgan. When they made a second surrender offer after two more days of Soviet shelling, enraged Outer Mongol troops decapitated all five members of the Japanese white-flag mission.

Changpe, which was the Russian headquarters during their occupation of Inner Mongolia, now is the headquarters of Lt. Gen. Sun Lanfeng, the tough little Shantung commander of General Fu Tso-yi's northern border area—a great expanse of sparsely settled plateau country stretching from Pailingmiao, on the west, to Dolun Nor, on the east, and reaching up to the Outer Mongolian frontier. General Sun's troops keep a fairly good grip on the main roads and towns in the southern part of this area—which is the part the Chinese have most heavily colonized—but the northern region is a vast no-man's land dominated by Inner Mongol Communist forces. The line which separates the two sections runs roughly from Pailingmiao through Shangtu and Chapsar (also known by its new Chinese name, Hsinmin) to Dolun Nor. These points are the Chinese front line bases. General Sun can take his motor truck columns beyond these bases, but he must always retire back to them. For there is very little beyond them to hold except grass, nomad tents, a mud village or two and a few scattered lamaseries. The fleet Mongol Communist horsemen who roam this region always escape Chinese pursuit.

Frequent Raids

These Mongols make frequent raids down into the Chinese-controlled territory, sometimes almost to Changpe itself. Because of this, commercial traffic north of Changpe is sporadic, but I was able to ride in one of General Sun's truck convoys to Chapsar, the frontline base on the Urga Road, 150 kilometers north of Kalgan.

We went along the route by which the Russians and Outer Mongolians withdrew from Inner Mongolia after their few months' occupation of the country two years ago. Not as much has been written about this as about the Russians' Manchurian withdrawal, but the pattern was the same. The countryside was methodically stripped of all removable wealth, which in the case of Inner Mongolia was chiefly livestock rather than industrial equipment. Entire villages between Changpe and Chapsar still lie bare and deserted, their populations scattered back to places the Soviets had not looted.

Chapsar itself turned out to be a grim little town bristling with outer and inner rings of mud fortifications—walls and pillboxes. It was what might in fact be called the end of Chinese-controlled territory. Just over the pillbox studded line of hills to the north lay pure Mongol tent country—and the Mongol Communists.

Most of these Inner Mongol Communists are under the command of a man whose name you hear often when you go north from Kalgan: Uljihorcherer. It is a name which seems to have a nightmarish effect on the old-style Mongol banner government officials. One of them, whom I met in his Kalgan refuge and who had been lucky enough to escape after being captured by Uljihorcherer, described the Inner Mongol Communist leader as "a small silent man with a yellow beard".

Uljihorcherer was a division commander (9th Division) in the Japanese-sponsored Inner Mongolian puppet army. When the Russians and Outer Mongolians withdrew from Inner Mongolia late in 1945, he accompanied them to Ulan Bator (Urga) with about 200 picked officers and men from his division. Some 2,000 other Inner Mongols also went to Outer Mongolia at that time, but most of them as hostages—as in the case of the wife and family of Teh Wang (Prince Demchukdonggrob of West Sunid).

After four months in the Outer Mongol capital, Uljihorcherer and his men returned to Inner Mongolia. He established himself at Chaganbogda, a small, mudbrick hamlet, in the southwestern part of the West Sunid Banner in the Silingol League, and started organizing military forces. When Fu Tso-yi captured Kalgan from the Chinese Communists a year ago and threatened to clear up northern Chahar, Uljihorcherer moved his headquarters eastward to the great lamasery at Peitsemiao in the East Abaga Banner. His forces, however, still are popularly known in Inner Mongolia as the Chaganbogda Communists.

Besides Uljihorcherer's group — which has the main military strength—there is another Communist group in northern Chahar made up of Chinese and Mongols under Yun Tseh (who recently renamed himself Ulanfu), a Moscow-educated Mongol and the Chinese Communists' choice to lead a pan-Inner Mongolian Communist movement. Yun Tseh is more Chinese than Mongol — he speaks no Mongolian — and

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with South China has resumed its dull stage, and the situation promises no improvement in the near future. Vernacular newspapers here without exception attacked the new revision and charged the Chinese authorities with being absurd by cancelling the issued certificates. Thus the scene, so comically begun, has ended tragically. Innocent victims have been cheated but nobody will accept the responsibility for the crime. This is a good example of ever fluctuating policy and only one sad interlude in the national tragedy.

once was, ironically enough, Fu Tso-yi's secretary.

At first there was considerable friction between the Outer Mongolian-influenced group led by Uljihorcherer and the Chinese Communist group of Yun Tseh. The more nationalistic Chaganbogda Communists objected to a Chinese group—even though Communist—directing policy among the Inner Mongols. But Chinese Communist policy, as usual, proved adaptable. Uljihorcherer was allowed complete autonomy and offered Chinese Communist cooperation on an equality basis. He accepted this and the two groups have been getting along together very well, controlling between them all 10 banner governments of the Silingol League.

The plans of Yun Tseh and the Chinese Communists for Inner Mongolia go far beyond relations with only the Uljihorcherer group in northern Chahar. The ultimate Chinese Red objective seems to be a general Inner Mongolian federation built around the more numerous Eastern Mongols in western Manchuria. The government for such a federation was set up last spring at Wangyehmiao and called the Inner Mongolian Autonomous Government (not to be confused with the earlier and now defunct Eastern Mongolian Republic at Wangyehmiao). Yun Tseh (or Ulanfu) is chairman and the Eastern Mongol leader Harfungar is vice-chairman.

The practical extent of Chinese Communist-Eastern Mongol operation is clearly reflected by the fact that thousands of expert Eastern Mongol calvary troops are now actively engaged against the National Government in Manchuria. If the Chinese Communists can succeed in welding these Eastern Mongol forces with those of Uljihorcherer in the west, Fu Tso-yi and the National Government will find their northern border positions even more perilous than they are.

This Chinese Communist policy of winning Mongolian cooperation by helping them achieve self-government is in direct contrast to the Nationalists' less imaginative way of ignoring or suppressing all border region aspirations — whether in Mongolia, Tibet, Manchuria or Formosa. The only Mongols on the National government side are a handful of princes and lamas and their decrepit following. The real vigor of Inner Mongolia is allied with the Chinese Communists.

Singapore: New Defense Outpost

Walter Briggs

Singapore.

THIS small island off the tip of the Malaya peninsula is fast becoming the chief base of Britain's Army, Navy and Air strength for all Asia, but it is no longer paraded as the "impregnable fortress."

Both the Army and Royal Air Force have established Far Eastern headquarters here. The Singapore naval base does the refitting for the East Indies station, whose home is Ceylon, and the British Pacific Fleet, operating out of Hong Kong.

Possibly chastened by Japan's abrupt deflation of the Singapore strength myth, many British officers tend to minimize its potentiality as a bastion. At the same time, they lament London's economy measures which have vastly reduced the strength of the services here.

Singapore's new role as defense headquarters for the Far East results from the British withdrawal from India.

Singapore will be "a sort of a police station," one Army spokesman told me, from which to dispatch troops to "trouble spots." However, the roster of troops will be far smaller than originally was planned. The main strength will be a Gurkha division, soon to be brought here from India.

Meanwhile, Singapore serves as a staging area for British troops being withdrawn from India.

The British are building up military stores and augmenting ordnance troops and engineers. Formerly Singapore held only small stocks of material because large supplies were readily available from India.

On the low hills overlooking Singapore's western approaches 20,000 Japanese prisoners cleared the ground for camps. Permanent barracks will be erected there, replacing tents and nissen huts.

The famous naval base is a shabby scene of gutted buildings and twisted girders, the accomplishment of a single B-29 mission from India; of piles of scrap metal; of machine shops in which Chinese workmen, naked to the waist, grind and polish marine equipment.

Despite the diminution of the British fleets, the base is handling more repair work than ever before, according to a high-ranking naval officer.

"We are working at about 90 per cent of capacity," he said. "We could do even more if we could get more workers—and the money to pay them."

The base possesses one of the largest graving docks in the world, capable of servicing any ship now afloat. It is a concrete pit five stories deep and more than one-quarter of a mile long. Once it took the Queen Mary. At other times it has held as many as seven ships at once.

Four Floating Docks

In the Straits of Johore adjacent to the yards lie four floating docks, one capable of handling a cruiser. These were acquired through the years from South Africa, England, Holland and Italy.

Little of the base was "scorched" by the British before it was captured on Jan. 31, 1942. The explanation: "Too little time." The main job after the recapture was repair of equipment which the Japanese had allowed to wear down through failure to use grease and through other carelessness.

On one project, however, the British gave up. They had sunk their pride, a huge floating dock, in the face of the Japanese approach. The Japanese had raised it. But the B-29s put it out of commission again, this time with a cruiser inside. The British raised the cruiser but decided the dock was beyond saving.

Among the ships lying off the yards are seven Japanese destroyers and nine Japanese auxiliary vessels. Part of Britain's war booty, they were brought here from Japan by Japanese crews. The Navy would like to get them to England for scrap, but figures the towing would cost too much to make the project worthwhile. The ships probably will be sunk.

Except for the climate, the base physically is ideally situated. The 14 miles of straits will take any ship, yet are shallow enough for anchors. There is practically no tide; also, little wind, except for an occasional "sumatra" which quickly blows itself out.

Strategically, however, the utility of the base is questionable. Granted that it is conveniently located on the sea lanes, but it is also incapable of defense. The "guns which were pointed the wrong way" always can defend the mouth of the straits, but at least seven divisions—more than Britain's planned peacetime force—would be required, officers assert, to safeguard Malaya and thus prevent capture of the base from land.

Why did the British chose Singapore for a naval base?

This is a bit of a mystery out here even now. One naval officer, musing on the question, came up with this one:

"Along in the early '20s, the admirals were planning naval expansion. They looked at the map. They saw a base in South Africa, another in Ceylon, another in Australia. They saw a big hole in between. So they jabbed their fingers at the middle of this hope—and on the map that turned out to be Singapore."

Economic Background For The Marshall Plan--II

Y. F. Soo

(This is the second of three articles designed to present the economic factors at work behind the Marshall Plan. The first dealt with the domestic situation in the US, the present deals with the problems of Germany, and the third will sketch the outlines of the so-called struggle between East and West.—Y. F. Soo.)

THERE is hardly any more debate on whether the crisis will hit the United States. The only disagreement among economists is "when." Some say that it has already begun and will be palpably felt when prices tumble. Others contend that the crisis will start when the break in prices occurs. President Truman himself has sounded the alarm and called on the nation "to meet the challenge." However that may be, a short recapitulation of the basic causes for the impending crisis are as follows: (for fuller data see *Review*, November 1, pp 293-296):

The index of industrial production in the United States more than doubled during the war: from 100 in 1937, to 237 in 1943. Later the level of output fell to 197, and is currently around 180. This alone signifies that the production potential has almost doubled and is now being utilized at a percentage of its strength.

The so-called backlog of demand accumulated during the war years was the basis of the postwar boom which has now come to an end, although prices are still rising. It is said that rising prices now are purely inflationary in character owing to the shipment of a large volume of goods abroad. Still, when this backlog of demand, consisting of wartime savings was analyzed, it was discovered that a large portion of the population possessed no savings to speak of. The continuing inflation has further cut what little there was of savings, with the result that a high official of the Federal Reserve Board was forced to state that:

"As a result of the mounting prices the consumer market has become inaccessible to the major portion of the population which had spent its savings and is now living on consumer credit."

His words are borne out by the rate at which consumer credit has expanded: by the end of 1945, consumer credit was US$6,500,000,000, by March, 1947, US$10,000,000,000, and by May, 1947, at US$10,700,000,000. The lapse of credit control threatens a still greater expansion of this dangerous factor.

During the war, bank deposits rose by US$61,000,000,000—the accumulated and unutilized war profits. This sum includes the amortization funds to cover wear and tear of capital equipment which could not be replaced in wartime.

While prices are now at about the level they reached after the postwar boom following World War I, wages have fallen steadily. By February, 1947, the cost of living index was 20 percent above February, 1945, while wages fell by 10 percent in the same period. This in fact signified a 30 percent cut in the real earnings of the salaried classes.

Stockpiles and inventories have grown unprecedentedly, rising from US$27,000,000,000 to US$37,000,000,000 in the year between March, 1946, and March, 1947.

The open door to American goods everywhere in the world, and the closed door to imports in the United States has created a gigantic "favorable" balance of trade. In recent months, exports exceeded imports at the rate of about US$1,000,000,000 a month. This "favorable" balance of trade contains in itself unfavorable seeds. The result of continuous American selling and the refusal to buy, has resulted in the world wide dollar shortage and many countries have been forced to resort to the sale of their meager gold reserves to continue buying US products. Following the dollar shortage and the declaration of practical bankruptcy by a number of countries, US exports began to decline, commencing last June and have fallen steadily ever since.

This decline of exports is in itself a sinister event, even if American exports affect only 10 percent of total production. The existent but as yet imperceptible overproduction in the US (the result of lower purchasing power at home) is due to become more aggravated as exports fall off. Exports cannot be cut off, for then the crisis would set in immediately. The other solution, is extensive and long term lending which would pave the way for continued exports of American goods.

Although this is the sanest solution to the problem, the financial groups who hold the money-bags refuse to inaugurate such a program, however much is said about the Marshall Plan. The ever present threat of large scale nationalization in Europe, including France and England, is feared by these financial groups. The only way out is through the Marshall Plan, they think, where goods can be shipped abroad on the basis of Government lending. This is a very profitable perspective for American monopolies which will get the profits, while the taxpayer will foot the bill on government loans bound to arise with the insolvency of some debtors in Europe. Therefore, although proponents of the Marshall Plan insist that this plan will be beneficial to the American taxpayer, in practice it will not.

As an aside, it should be said that the creation of a "European bloc" market to absorb an additional US$5,000,000,000 or US$6,000,000,000 worth of exports a year will not stave off the crisis. This assertion is borne out by the following facts: in the crisis of 1920, production fell off by 23 percent; in 1929—by 46 percent; in 1937—by 36 percent. Considering that the gross output of American industry now stands at US$200,000,000,000, a 15 percent decline in production would mean US$30,000,000,000. In these circumstances it is unwise to think that the export of an additional US$6,000,000,000 worth of goods to Europe will save the United States from a devastating crisis.

* * *

THE fear of nationalization in Europe has lent political aspects to American lending considerations after World War II, and the Mar-

THE SEVENTEENTH GUEST

shall Plan is no exception, though it may be denied by all concerned. The need to create a bloc in Europe which would absorb a huge quantity of American exports is created by the economic situation in the United States. And the best kind of bloc would be one which is controlled in such a manner that all this nonsense about nationalization is shelved. The best way to control a bloc of European nations is through a highly industrialized nucleus, and in the case of the Marshall Plan this is the Ruhr, the natural nucleus of such a European bloc.

Responsible American circles have made no bones about making the Ruhr the nub of the Marshall Plan. The *New York Times*, on July 20, declared that "Revival of Ruhr Industry is Key to Marshall Plan," adding that "Priority for a rise in production will be sought despite tests."

On September 14, the *New York Times* in an editorial declared that the "success or failure of any long-range effort to put Europe on her feet depends to a large extent on what use is made of the rich seams of coal in the Ruhr valley...." The paper also revealed that it was mooted to send 100,000 tons of American steel and other mining equipment to the Ruhr; transfer full responsibility for production to a German coal management which would operate the mines; make full use of American technical advice and experience.

The above is being done under the guise of relieving the American taxpayer of occupation costs, and it is forgotten that it was the neighbors of Germany that suffered from a powerful Ruhr. The Ruhr is being revived by the Marshall Plan despite the fact that its neighbors are still prostrate.

* * *

THE Second Annual Report of the International Bank For Reconstruction and Development explains just how the Ruhr is to control the Western bloc of 16 European nations:

"Another important step which the European countries can take without external assistance is the integration of their reconstruction and production programs on a regional basis.... The restoration of production must be so planned as to take full advantage of the economies of the specialization of labor; Europe is too impoverished to afford the uneconomic luxury of productive programs which overlap for reasons of autarchy, or otherwise.... The nations of Europe and of the world need the potential exportable output of Germany, particularly of the Ruhr and its coal mines."

Bearing in mind the fact that John J. McCloy, president of the bank, is a former Wall Street banker, it will be easier to understand the full meaning of this "integration program." Inasmuch as the Ruhr is heavily industrial, and it is advocated that the "uneconomic luxury of industrial programs which overlap" should be abolished, the other countries should under no circumstances produce what the Ruhr produces. This means only one thing: if the Marshall Plan goes through, the Ruhr will remain the industrial center of Europe, while the countries which had suffered from German aggression will remain less industrialized compared with the Western zones of their former enemy. The implications of such a "plan" are obvious.

A large portion of the program outlined above has already been implemented, while the rest is being speedily applied. A point that deserves much attention is the "transfer of full responsibility for production to a German coal management which would operate the mines." In other words, the Ruhr mines are not to be nationalized as the British had first planned, and as common sense and world peace demand, but are to be returned to the possession of the very people who supplied Hitler with coal and steel. Moreover, the 100,000 tons of American steel equipment and mining supplies will be given these German industrialists to help them recover from their bombing losses. The threat to peace here is clearly visible, and this is a flagrant renunciation of the Potsdam agreement. But then, prominent Americans have already called for a shelving of the "Potsdam dictate" and Mr. James Byrnes has even advocated driving the Russians out of Germany "with force, if necessary."

WHILE this talk of "Russian intransigeance" continues and General Lucius D. Clay has even gone so far as to inaugurate an all-out attack against "Communism" (read: nationalization and demilitarization), agents of Wall Street are doing their business in the Western zones of Germany. Since the Ruhr is to control the Western bloc, it is logical that American finance capital must control the Ruhr. And this is not an empty statement.

On October 30, the Government of the United States accused leading Wall Street investment bankers of conspiring to monopolize the financing of American industry. Among the accused are: Morgan Stanley and Co., Kuhn, Loeb and Co., Eastman, Dillon and Co., Globe, Morgan and Co., Eastman, Ripley and Co., Dillon Reed and Co., First Boston Corp., and others. The indictment in itself is an extremely mild one, for these firms have not only monopolized the "financing of American industry" but have monopolized much more (see *Review*, November 1, pp. 294-295). However, if such are the charges of monopoly at home, what will these groups not do abroad? Here is a typical example:

***PM* reported recently that General William H Draper, Jr., the former New York investment banker, who "is now economic adviser to General Lucius D. Clay, in Germany, has been named by President Truman as Under Secretary of the Army." *PM* adds: "A reserve lieutenant in World War I, Draper was vice-president of Dillon, Reed & Co., in 1940 when he returned to active duty with the War Department. In Germany since 1945, Draper has advocated the rehabilitation of German industry, reasoning that the future of Europe depends on Germany becoming a self-supporting power with a balanced economy."**

Another recent report from New York says that Under Secretary of War Draper has exerted efforts to arrange a US$1,000,000,000 private loan to German industrialists. These funds are to be used to rehabilitate German plants in which American bankers hold interests. The report,

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attributed to James S. Allen, states that Draper, even as National Defense Secretary James Forrestal, are members of Dillon, Reed, investment bankers, which after World War I extended huge credits to German industrialists. It would be mild to say that history has a tendency to repeat itself.

* * *

AMERICAN investment bankers had substantial interests in German industry before the war. But inasmuch as under article 12 of the Potsdam agreement, certain German plants are liable to demolition and dismantling, American financiers are attempting to increase their interests in these enterprises to preclude their destruction. The *World Almanac* of 1942 reveals that the total investment of American bankers in German industry was as follows:

87 industrial enterprises	US$151,480,000
30 commercial firms	„ 20,393,000
11 oil companies	„ 49,993,000
23 other concerns	„ 5,951,000
Total	US$227,817,000

Other sources have estimated total investments at US$349,000,000, by the end of 1940. Now, American financial wizards are trying to show that their investments came to more than three or four times the foregoing figure. It is claimed that the total is very near US$1,000,000,000. This is obviously being done to shield the intensive purchase of German shares now in progress. Examples of this are numerous, among them being the "adoption" of Kodak A.G by the Eastman Kodak Company; of the Algemeine Electrische Gesellshaft by General Electric, and others.

Investments are not only enlarged through the acquisition of shares but also through new investments. The *Frankfurter Rundschau* reported the "confiscation" of the entire Stinnes concern including his Ruhr mines, while *Berliner Zeitung* revealed that the German auto industry has received 100,000,000 marks in new investments since VE day.

The "theory" behind these acquisitions and investments has been elucidated by James H. McGraw, Jr., president of McGraw, Hill Publishing Company, who according to *AP* on Sept. 22 presented this plan:

1) Plans for socialization of the Ruhr should be killed quickly.

2) The industries should remain in trusteeship for five years after which the Germans should decide their ownership.

3) The top supervising management jobs should be given to American businessmen.

4) Germans should take over the management job at the operating level.

Mr. McGraw added that "German technical management of industry in the Ruhr need not mean political control of the Ruhr by some future sovereign German state." He also said that "America must stay in the Ruhr or Russia will step in."

On the whole the foregoing is a pretty candid statement of American investment banking policy in the Western zones of occupation. It need not be added that a continuation of this policy which provides for the flooding of Ruhr industries with American finance capital and equipment will transform that industrial center into a dependency of Wall Street.

Following the establishment of control over Ruhr industries, the next step for the creation of a favorable market for American exports in Europe would be the setting up of a "customs union" which would eliminate all national boundaries as far as such exports are concerned. In this connection *World Report* has well said that when Europe spends all its dollars a blow will be dealt US exports which is liable to upset the entire American economy.

The need for a plan "to aid Europe" is, therefore, obvious.

* * *

FOLLOWING the directive issued to General Clay on the new level of German industry, a Foreign Trade Finance Corporation with a capital of US$50,000,000 was organized to finance trade. The main task of this corporation is to revive Ruhr industry. And here a parallel must be drawn with the so-called Dawes Plan which financed the restoration of German industry after World War I. The parallel is not exactly complete, for while the Dawes Plan benefitted German industrialists above all, the present plan will reap profits for American investment bankers. The lessons of World War I have been well learned.

That everything is done to achieve complete control over the Ruhr industries is evidenced by the frank statements of leading American statesmen. John Foster Dulles who has now become the leading adviser to Secretary of State Marshall since the new bi-partisan foreign policy went into action, declared in February, 1947:

"The victors of World War II must reckon more in terms of European economic unity than in terms of the Potsdam dictate which declares that Germany must be preserved as an economic unit." This statement is the answer as to who is obstructing the unification of Germany, although it has been profusely charged that it is the Soviet Union. For this very reason, Big Four control of the Ruhr has been fought tooth and claw by the Anglo-American military authorities, for under Big Four control the monopolization of Ruhr industry cannot be successful.

In the same category as the Dulles statement go the pronouncements of Herbert Hoover, who went so far as to call for a separate peace with Western Germany. Hoover knows well that such unilateral actions are the only means of controling the Ruhr, creating a United States of Europe and incidentally staving off the coming crisis in the United States by dumping the surplus production into this area.

* * *

ALTHOUGH General Lucius D. Clay has gone on record as favoring both a provisional German government without consulting the Allied Control Council for Germany, and also a purge of "Communism" in the Western zones, it is clear that Communism does not bother General Clay and his superiors so much as does the question of nationalization and democratization of Germany.

The basis of German reaction—the landowning Junkers and huge monopolies and cartels—will expire with nationalization and democratization and there will be no one to control, and no place to invest surplus finance capital piling up on Wall Street. The only way to eliminate the basis of German aggression is to divide the land so that the German peasant can live without subservience of the Junker, and to destroy the German Zaibatsu with its ever present tendency to expand beyond its proper national borders. That the need to destroy the cartels and monopolies is urgent has been demonstrated, and agreed upon, while the need for a land reform is also obvious: before the war, 34,000 landlords owned 37.9 percent of all arable land, while 2,800,000 peasants owned only 1.2 percent!

Once the road of compromise with German imperialism is adopted, whether it be for business or for "European aid," one step follows another; reparations to victims of German aggression are stopped, Nazis are not purged, demilitarization is forgotten, and greatest of all, German democracy is pushed aside.

Fine words and democratic statements may cloud the vision of some observers, but just how much in the interests of world peace the present Anglo-American policy in Germany is conducted, is well answered by the question: "Who in Germany benefits from this policy?" And it looks as if German monopolies are getting all the breaks.

In the October 6 issue of the *New Republic*, James S. Martin, former decartelization chief, US Military Government in Germany, told of how "they wouldn't let us break up German Cartels." He says that "drifting policies, business pressure and German guile have kept us from breaking them up, and a new, powerful Germany is in the making."

Martin writes: "The ink was scarcely dry on the Potsdam Agreement before some US exports were arguing that it was unworkable.... They won a ready hearing from Major General William H. Draper. ... American economic policy was thus moving gradually in line with the Germans' own program.... In May of this year, a group of 14 'leading' American businessmen, whom the War Department had sent on a tour of Germany, released a report which recommended curtailing or postponing the program to reorganize the major cartels and combines that had dominated the German economy. The reason given for this was that the program represented 'economic principles quite new to the German mind (read: monopolistic mind—Y.F.S.) and to the past industrial development of the country.' Later, in a conference

with the Secretary of War, the group of businessmen went into specific denunciation of the American denazification policy as well."

In this light, Senator Vandenberg's highly premature prophecy on November 3, of the imminent failure of the London meeting of the Council of Foreign Ministers on Germany scheduled for this month, is revealing. Vandenberg, leader of the Big Business Republican Party, said "if" the conference will fail, a separate peace with Germany should be singed by the United States. In other words, if Russia blocks American monopoly efforts to revive the cartels legally, they should tell Russia where she gets off....

But the biggest breaks fall into the lap of investment bankers, the very same people who are under indictment for monopoly in the United States at the moment. At the helm of this policy is John Foster Dulles, brother of Allen Dulles, who is a director of the Schroeder Banking Corporation in New York. Even before the war had ended, Allen Dulles was in Switzerland negotiating postwar business with European industrialists and bankers. One of the people Allen Dulles reportedly met in Switzerland was Hjalmar Schacht. Now that the war is over, business continues as usual.

• • •

OF the US$5,000,000,000 that went into the Ruhr after World War I under the Dawes Plan, 70 percent was American capital. The Dawes plan strengthened the German monopolies and allowed them to recover and eventually to prepare and launch another war of aggression. History is being reenacted to some extent today, but because the perspective is quite different it is doubtful whether the plan will succeed this time.

As to the Marshall Plan which purports to save Europe (and incidentally stave off the depression in the United States) there are many factors working against it. First, is the opposition to this largescale lending on the part of prominent Republicans like Presidential candidate, Senator Robert A. Taft.

"I do not believe America can save the world with money," Taft declared when he started out on his campaign tour last September. As the campaign gets underway, there is sure to be more opposition to the Marshall Plan.

Second, there is the question of real economic possibilities to monopolize the recovery of Europe. These the United States does not possess. Averell Harriman stressed this point when he said on October 26: "In some cases the requests will have to be reduced to accord with availabilities in the United States of the commodities requested."

These and other factors tend to show that the so-called Marshall Plan is doomed to failure. Henry Wallace, while reluctantly backing the Marshall Plan, on October 2, 1947 said:

"Politically we shall gain nothing but hatred from using our billions to pressure governments and people. The reactionaries at the top will love us because they think we are saving their hides. The workers will hate us because they think we are trying to maintain or install reactionary governments and influence the economic system of Western Europe to the benefit of Wall Street. If Congress were to meet tomorrow and carry out the full recommendations of the report within two weeks, I still would expect most of the governments of Western Europe to move to the Left this winter.

"Our Administration and Congress are utterly naive to think that the countries of Europe will sell out their political birthrights for a few billion dollars. They may take our money and our products, but sooner or later they will act politically just as they please. We are not loved in Europe, and the more we use economic pressure to intervene in European Affairs the worse we are hated ... The failure of the Administration to mobilize American sentiment and plan a basic formula for aid, while the Europeans were inventorying their needs, has made the Marshall Plan look like an enlarged and glorified non-military application of the Truman Doctrine."

The threat to world peace in the restoration of the Ruhr before Germany's neighbors have recovered from Nazi ravage and destruction does exist. The utter dependence on US dollars on the part of Western European Government is dangerous in that the coming American crisis will shake their economies to the roots. But in contrast to these adverse factors is the one favorable factor in present day Europe: the determination of the peoples of Europe to build their life their own new way, for there is no returning to prewar economies which have proved so disastrous for the whole world.

World Economic Crisis Approaching

J. R. KAIM

LAST week, heavy buying of sugar, oil and other edibles, reminiscent of the rush during the wartime shortages was reported from the United States. Storekeepers, according to an *Associated Press* dispatch, attributed the sudden, increased demand to a panic which, a leading grocer explained, may create an artificial shortage. Two days later, news from France stated that that country was in the midst of a severe economic crisis. In Portugal, the Government decided to cut luxury imports. In Brazil, the cotton industry is faced by terrific obstacles; mills have had to close down; the cultivation of cotton is to be reduced with peanuts to be grown instead of any surplus cotton. In Britain, the last portion of the US loan may be asked for in the very near future. In China, prices of most essentials have increased, while imports are restricted and foreign exchange transactions controlled.

In America, Chester Bowles, former chief of the defunct OPA, as early as in December, 1945, warned that if price controls were abandoned, American economy was bound to realize tremendous price increases, reduced consumption and, finally, inflation. In January, 1946, Mr. Alfred Friendly, of the *Washington Post* wrote: "Chester Bowles is putting up a gallant fight, but he needs solid help from the White House. The seriousness of the danger ahead is hard to describe in sufficiently impressive terms." Other economists, too, warned against abandoning price controls, but the National Association of Manufacturers, several other business organizations and also labor leaders favored free economy. Finally, OPA died. And inflation started.

World Supplies

When such a giant industrial colossus as the United States is confronted with economic difficulties this will be felt throughout the world. This so much more as the United States has grown into the position of a world supplier at a time when all other industrial powers were hardly able to produce anything.

Just as is the case with a grave sickness, inflation, too, has various symptoms; one of them is the abundance of buying power combined with a shortage of goods to be bought—and that is just what is described in the abovementioned report of a rush on groceries in America. The buying power in America is tremendous indeed; bank deposits have risen faster than ever

before, individual savings, alone during the war years, have increased by US$145,000,000,000. Money paid out in wages and profits has remained, even after the war, as high as in 1944. There is much money. But there are not enough goods to be bought. Neither in America nor elsewhere.

While American economy is thus deteriorating, the dollar can buy little on the world market. American imports are too small simply because most commodities Americans would like to buy elsewhere, are too expensive. And with American buying reduced, other countries are confronted with that ill famed, notorious financial sickness of our days: the dollar shortage.

However, with world trade declining in both value and volume; with millions of Chinese out of production, as well as normal consumption; with Europe in a state of economic desolation (except Switzerland, Belgium and a few other spots); with Britain exporting as much, but importing as little, as possible, the world in the greatest hurry, runs into a crisis compared with which the one the early 20s will appear a child's play. Again one may say: the seriousness of the danger ahead is hard to describe in sufficiently impressive terms.

The original source of the evil, of course, was the war. But conferences had dealt with economic postwar problems during the lifetime of President Roosevelt whose Administration was well aware of what was to be expected if no remedies could be found in time. The World Bank and Fund were considered two of the most necessary prophylactics and they certainly were. As early as in 1940, *New Statesman and Nation* in London made reference to the perilous situation that would confront all the belligerent countries when armies are demobilized and returned to civilian life. And toward the end of the war, Prof. Alvin H. Hansen, one of the most brilliant economists in America, warned that "two world wars within a single generation could not fail to make an indelible impression and to convince even the most naive and careless optimist that it is no easy task to maintain the peace of the world and that to accomplish this task it is absolutely essential to enter into close collaboration and continuous co-operation with other countries."

No Cooperation

Instead of close cooperation, we witness more estrangements, more frictions. Instead of swift reconstruction of Europe's consumption and production, we see, by the end of 1947, preparations for the eventual realization of a proposal which, though called the Marshall Plan, has not yet grown into a real plan. And instead of genuine economic, i.e. also financial cooperation we see the United States draining a growing share of the world's gold and burying that gold where it had been taken from—deep under the earth's surface. And there it is to remain in spite of a worldwide dollar shortage and a worldwide gold shortage. But when Midas, that legendary King of Phrygia, was promised that all he touched would become gold, even his own foot and daughter became gold: while the United States is hoarding increasing amounts of gold, she can buy far less for her gold now than she could, when, prior to the war, the Treasury was poorer and the reserve smaller. Apparently, Midas has tied himself hand and foot. But upon him and his possibility to consume a large share of the world's production depends the fate of other nations.

No doubt, an economic situation is developing which is infinitely more dangerous than that after World War I. It started when money hungry capital declined to heed Chester Bowles' warning. It started when the demand for goods grew rapidly, whereas supplies became scarcer; when manpower difficulties became apparent; when money became "hot" because of scarce market supplies and increasing prices. Consumers feel the "hot" money burning their fingers; they want to spend it; it may buy more today than tomorrow; when the report of a great American bank, at the beginning of this year, triumphantly stated that "consumer spending has been maintained at the highest level in history" and when another American bank report, in the middle of this year, claimed there was no world dollar shortage to be seen—all this was excellent news except for the intrinsic correctness of the facts. Consumer spending was high because the money was "hot." And while there was—and even is today—no dollar shortage in general, the dollar is short exactly in those countries whose buying power would be the greatest under normal conditions.

From The Daily Herald, London

BRITAIN—"It's a great game, boys!"

First Act

With China, Britain, France, and Portugal restricting consumption of world production, and with America faced with food shortages—while millions of people in other countries are actually starving—we are watching the first act of a tragedy which, contrary to the classical rule, started with a comedy. The comedy started when the great American trade organizations successfully fought not merely for the removal of price ceilings, but of all government control and when labor leaders in the US, renowned John L. Lewis among them, admitted that when they wanted wage increases they meant to obtain them even if they had to help the employer get a higher price for his product. At that moment, international economic cooperation was rendered more and more difficult. For people throughout the world could get no higher wages and, therefore, could afford no expensive goods. They simply did not have the necessary amount of dollars. Nor could they buy raw materials for dollars. And because they could not buy enough raw materials, they could not export sufficiently. And because they could not export, their dollar reserves grew smaller and smaller. This was the case in Europe and in China as well.

For the time being, America no doubt is the yardstick for economic world conditions. If there is a panic rush in America to turn money into goods such action may, in the absence of control, send prices into the stratosphere. Or, at least, it may bring about world market shortages in many fields and, consequently, decreasing production and still further consumption. There would be still less money for "luxuries" in the poorer countries and even coffee from Brazil and the Netherlands Indies, tea from China and India, silk from China and Japan, and many other similar items which may be considered luxuries. But certainly all dollar products would be real luxuries, for their prices would appear immense to those whose shrinking dollar reserves permit but the most essential imports.

And while all this is in preparation and while some people already oppose help to Europe and help to China, the gold piled up at Fort Knox is dreaming of Midas and his golden foot and golden daughter.

The discovery of aluminum ore in the Leichow Peninsular of Kwangtung, and a better grade, "true bauxite," in Changpuhsien, Fukien, was recently announced by the National Resources Commission. Detailed reports are awaited from Hsieh Chia--yun, director of the NRC's Mine Prospecting Department.

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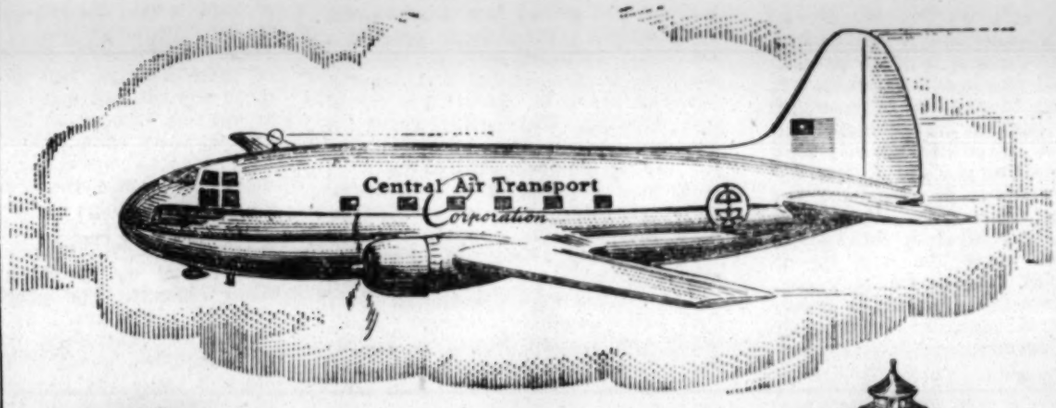

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The Review's English Lesson—IV

LAUGH THAT ONE OFF!

ONE of the best ways to understand people of other countries is to see what they laugh at —and why. Often this is also one of the hardest things to understand about others, although when people do laugh at the same things, they become good friends very quickly.

From several issues of THE READER'S DIGEST we are printing seven humorous stories that have one thing in common—a sharp reply by the "victim" that turns the laugh in an unexpected way against the one he considers to be bothering or oppressing him. This kind of humor—although it can be cruel—is common to all men, although most of us think of the proper sharp reply too late to strike back.

Some of the jokes below have been slightly modified in order to make them more easily understood, but since every word in them is important, it will be a good exercise for your understanding and ability to "make the point" if you can tell them to others so that they also laugh. Try your skill on someone else who understands English.

1. **Ready** (Dec. 1946, p. 77): Our new cook seemed to be very good. We had agreed with her on her hours of work, her wages, and her holidays. "My husband always comes home on time," I said, "But sometimes," I added in apology, "he brings unexpected guests home for dinner. I would suggest that you should always be prepared for such an emergency."

"Yes, ma'm," our cook replied. "I'll keep my baggage packed."

* * *

2. **Noisy Tenant** (Dec. 1946, p. 97): The landlord inspected his prospective tenant coldly. "I must remind you," he said, "that I will not permit children, dogs, cats or parrots to live in my apartment. And no piano playing. And no radio. Is that clear?"

"Yes, sir," replied the tenant meekly. "But I think I ought to tell you that my fountain pen scratches a little."

* * *

3. **Improved Model** (May, 1947, p. 33): Introducing Thomas A. Edison at a dinner, the toastmaster mentioned his many inventions, speaking at great length about Edison's talking machine. When he finished, the aged inventor then rose to his feet, smiled, and said gently: I thank the gentleman for his kind remarks, but I must insist upon a correction. God invented the talking machine. I only invented the first one that can be shut off."

* * *

4. **Children's Troubles** (June 1947, p. 50): At a dinner party several anxious mothers were discussing their children's illnesses with the guest of honor, a famous child specialist. One mother asked, "Doctor, what do you consider to be the principal trouble of children?"

"Mothers, madam," he replied gravely.

* * *

5. **Not Quite** (July 1947, p. 72): Getting ready to turn out the last light in the house before going to bed, Mrs. Brown paused in her never ending chatter to ask: "Is everything in the house shut up for the night, dear?"

Out of the darkness came her patient husband's reply: "Everything else, dear."

* * *

6. **Titles** (July 1947, p. 58): In the courtroom a lawyer was trying to trap a witness who was called by everyone in the town by the complimentary title of "Colonel." "They call you 'Colonel,'" the lawyer sneered. "In what regiment were you a colonel?"

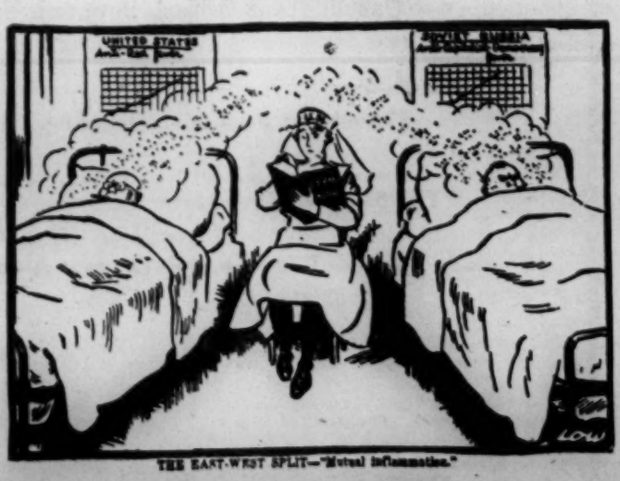
"Well, it's this way," explained the Colonel. "The title in front of my name is like the title of 'Honorable' before your name—it doesn't mean a thing!"

* * *

7. **Beggar's Problem** (Sept. 1947, p. 136): A beggar approached a prosperous looking man and asked for 10 cents in order to buy a cup of coffee. "Is begging all you have to do?" asked the other in anger. "Look at yourself—you sleep on park benches, your clothes are in rags, and you're hungry. Why don't you get a grip on yourself and go to work?"

"Go to work!" exclaimed the beggar in disgust. "What for—to support a useless fellow like me?"

IT'S CONTAGIOUS



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What U.S. Papers Say . . .

REACTION in the American press last week on the suppression of the Democratic League by the Chinese Government was unfavorable. *PM* stated that the trend toward socialism is irresistible.

* * *

League

THE *Indianapolis News* said that Nanking again has demonstrated political stupidity by outlawing its liberal opposition, the Democratic League.

"Engaged in a death struggle with the Communists, Chiang's Kuomintang now deliberately alienates the moderates, who had been willing to participate in a representative democracy.

"The repression, greed and corruption of the ruling caste of the Central Chinese Government are doing more to turn China over to Communism than all efforts of the agents of the Kremlin. It is a situation which poses a dilemma for the United States, to whom a non-Communist China may be as important as is a democratic Europe.

"No precipitate action can be taken toward collaboration with Nanking while it persists in its present behavior. A decision, however, must be made, and the official Washington's reticence to discuss it only underlines the calculated risks which will have to be assumed."

In a similar, although less sharp tone, the *Christian Science Monitor* editorialized that "a good deal has been said about the need for the Chinese Government to clean house if it is to get any substantial American aid." But the results so far have been disappointing.

"Its answer has been to ban the Democratic League, the only considerable party of liberal opposition within Nationalist China. The excuse given is that the League was aiding the Communists. For a long time the League has asked the Government for an open investigation of these charges and public trial, if necessary. American Ambassador J. Leighton Stuart now joins in urging on the Government the right of the accused to an immediate public trial under the laws of the republic.

"Politics in China is still carried on by armies. But when a commander of a Shantung area declared that he would like to surrender his army to the Democratic League, the offer was refused. The League, made up for the most part of liberal elements whom General Marshall declared to be the hope of China, is today without a single gun, not even a pistol. The professors and students, workers and businessmen who compose it have put their weary faith in peaceful, legal methods."

The *Denver* (Colorado) *Post* contended that in outlawing the Democratic League Chiang has struck another blow against the possibility of truly representative government for China.

"Chiang has excused his action by calling the League a Communist front organization. He and his followers have said this before. Whenever the League has disagreed sharply with the Central Government, it has been easy for the Kuomintang to hurl charges of Communism.

* * *

Socialism

THE New York *PM* editorialized that there is a pressing need to get the average American capitalist to contain himself. The paper argued:

"Quite a dispute has been going on in Washington about containment. Mr. X in Foreign Affairs outlined a policy for containing the Soviet Union. Mr. Walter Lippmann in a brilliant rejoinder came to the rather wistful conclusion that the real problem was to contain the Red Army. We went to deal with another kind of containment necessary to the maintenance of world peace: we mean to get the average American capitalist to contain himself.

"What Mr. Vishinsky, we suspect, genuinely does not understand is that the average American capitalist is frightened, despite our monopoly of the atom bomb and our enormous and undamaged industrial potential. He is scared of socialism and in a way he has a right to be scared: ideas are more powerful even than atom bombs. And the idea of socialism has become the most potent idea of modern times.

"We would suggest that the one way to allay the almost hysterical fears current in the American capitalist class is to recognize an essential fact about the modern world: socialism is coming everywhere. War cannot stop it; a third world war against the Soviet Union may overturn the Stalin regime, but its cost will end free enterprise in America. The first step in ending the neurosis that is driving American capitalism to its own destruction in a new war is to face up to this fact.

"The wise businessman will not seek to buck these trends. He will seek instead to make a place for himself in a mixed system, partly capitalist and partly socialist.

"The trend toward socialism is irresistible, though atom bombs level everything from Moscow to Vladivostok, though the palest pinks of Washington are immured in Alaskan hoosegows!

"This is the handwriting on the 20th century skies. This is the future. The American capitalist would be wise to recognize it and contain himself. This is the containment we need for world peace," *PM* concluded.

Who's Who in China

Chang Kia-ngau

(張嘉璈)

CHANG KIA-NGAU, Governor of the Central Bank of China, chairman of the Export-Import Board and member of the National Economic Council, the Royal Economic Society and the Far Eastern Council of Industry and Commerce; born at Paoshan, Kiangsu, 1888; attended the foreign language school in the Kiangnan Arsenal, Shanghai, and the High Technical School, Peiping; graduated from the Political Economy Department, Kyoto University, Japan; chief editor of the official *Gazette* of the Ministry of Posts and Telegraph, 1911; secretary general, People's Assembly, 1912; assistant manager, Bank of China, Shanghai, 1913; vice governor, Bank of China, 1916; general manager, reorganized Bank of China, 1930; deputy Governor, Central Bank of China 1935-1947, and concurrently general manager, Central Trust of China, 1935; Minister of Railways, 1935-1938; Minister of Communications, 1938-1942; senior adviser, Executive Yuan, 1942-1945; chairman, Northeastern Economic Commission, 1945-1947; chairman of the board of directors, Changchun Railway, 1945-1947; author of "China's Struggle for Railway Development;" address: 1235 Route Bourgeat, Shanghai.

Concluding an extensive tour of China's Northwest to investigate the possibility of sending Shensi raw cotton to Shanghai by air, General Chennault of CNRRA Air Transport returned here recently. It is reported that CAT will send 50 tons of raw cotton here by 10 planes per day. The capacity of each plane is five tons or 20 bales of raw cotton.

* * *

A petition has been sent to the City Council by the local motor car dealers' association for temporary suspension of the rules governing the issue of new motor car licenses and also the unfreezing of motor car ownership transfers. The petition says that the new restrictions have entailed great hardships on local motor car dealers, reported the *Shun Pao*.

* * *

A key post in planning the defence of the US has been given to Lieut. Albert C. Wedemeyer, namely, director of the War Department's General Staff Plans and Operations Division, said a *UP* dispatch. Wedemeyer, one of the Army's youngest three star generals, will take over the division early next month.

What Chinese Papers Say

THE need for stronger measures to stabilize China's economy, various suggestions for dealing with Japan in the future, and the Young China Party's views on the dual party question, were subjects dealt with editorially in last week's Chinese press.

* * *

Price Control

AT the end of the world war China was subjected to innumerable price and economic control decrees, and many more measures for controlling prices and stabilizing the economy have been brought in since V-J Day. The situation is now critical and unless we are determined to effect stronger reforms, instead of "painting a rosy picture of a serious situation, then the financial and economic chaos will doubtless cause the political foundation to be shaken, too. Our own experience and that of other countries tells us that if we want to control prices effectively, we must first be able to control the supply and demand of currency and goods," the *Ta Kung Pao* declared.

"The situation now is quite different from what it was before. Hitherto, we have been trying to make ends meet by inflation, but this certainly can no longer be continued. During the past several decades, there has been fighting in China almost continuously, but the chaos and depression of our national economy were never so serious and widespread as they are today. The reason for this is quite simple: The Government has monopolized the issuance of banknotes, those at the helm of State have forgotten about the principle of basing one's expenditures upon one's income, and those in charge of State finances have taken the course of least resistance by meeting the Government's financial requirements by issuing more banknotes. They should immediately take fundamental measures, stop issuing any more banknotes and seek to balance the State budget at an early date.

"There will doubtless be great hindrances to reduction of staff and simplification of administration, but these steps will have to be taken. Recently, everybody has been hoping that a US loan will be forthcoming. However, in view of what has happened to the US$900,000,000 foreign exchange and the 6,000,000 taels of gold since V-J Day, we feel that unless the Government makes a serious effort to balance the State budget at an early date, such a loan would only serve to prolong the period of waste and would not improve the basic problem to any appreciable extent," that paper concluded.

* * *

Japan

ENUMERATING what is considered essential points for the control of Japan, the *Sin Wan Pao* said that "(1) The militaristic elements in Japan and the collaborators of Japanese militarists must be closely watched. (2) Japan must be thoroughly disarmed and the war industries dismantled. Besides, the airdromes, air raid shelters and underground factories built during the war should all be destroyed. (3) The Japanese cultural and education institutions should be strictly controlled, and the Japanese desire for aggression should not be allowed to revive.

"Besides, we should pay special attention to the organization of the control agency for Japan. The existing SCAP Headquarters, which is under the sole control of the Americans, must not be continued. The control agency should at least be organized and administered jointly by China, the US, Great Britain and the USSR.

"What we regret deeply is that during the past past two years since the Japanes surrender, the Allied control of Japan has certainly not been too thorough going; in fact, such control has been diametrically opposed to the spirit of the Potsdam Declaration and has ignored the objective of the Allied nations' common war effort. The Americans must be held responsible for this state of affairs. Such a mistake can only be corrected in the peace treaty, and China must take upon herself the responsibility of correcting this past mistake at the forthcoming peace conference," the *Sin Wan Pao* concluded.

The *Ta Kung Pao* was in favor of China's insistance on preserving the Big Four veto in connection with the Japanese peace conference. "The so-called compromise arrangement—the preservation of the veto for three-fourths of the Big Four which was rumored some time ago is now a thing of the past. Up to the present, we do not know what the contents of the draft peace treaty drawn up by the Government is like. If this draft peace treaty can be publicly discussed and a public opinion poll can be hold, the people will feel even more encouraged and can set their hearts at rest.

"We feel that the following problems could be discussed: (1) Shall we propose the abolition of the Mikado system and the punishment of Emperor Hirohito as a war criminal? We feel that it would not be too harsh to abolish the Mikado system and punish Emperor Hirohito. (2) We have not made a sufficiently deep study of the question of Japan's industrial level. We hope that a group of experts can be gathered together to make a detailed estimation of an industrial level required by Japan in order to enable her to maintain a peaceful living. (3) The disposal of Japanese territory seems to be relatively simple. Only two problems remain unsettled, namely, who should be given the Ryukyu Islands and how the problem of the 'other small islands' (mentioned in the Potsdam Declaration) can be solved.... (4) We are faced with the problem of Japanese reparations now. The Government has not kept in close enough touch with the people on this matter. We urge that China's objectives—the contents of the Japanese peace treaty—be made more definite and clarified, so that the Government and the people can struggle together for the achievement of these objectives," said the *Ta Kung Pao*.

* * *

Dual Party Members

ON the problem of dual party membership, the *Chung Hwa Shih Pao* Young China Party organ, stated its case as follows: "During the period of political tutelage, the Kuomintang adhered strictly to one party rule. Not only did it look upon the Communist Party as an enemy party, but it also tried all the time to eradicate by high handed methods all other political parties which held views different from its own. The suffering which we Young China Party members have experienced certainly is not wholly known to outsiders. It will be remembered that after the war of resistance began, all students and Government employees, all middle school and primary school teachers, all university professors, especially those whose work was that of looking after the discipline of the students, and even all the officers and men who participated in the war of resistance, had to join the Kuomintang either as a group or individually under special orders. Those who refused to join the Kuomintang faced the danger of immediately losing their education opportunities or their jobs, thus losing their means of livelihood. Moreover, there was a possibility that they might be put under surveillance or arrest at any time.

"Under such unreasonable oppression some of the YCP members had to join the KMT as a temporary expedient. We have always considered these YCP members as our comrades and will certainly not consider them as having dual party membership. The KMT also knows that they are still YCP members and does not attach any great importance to them, though it has done its best to win their goodwill. Now, because the election of National Assembly delegates will soon take place, the KMT out of its desire to ensure a large number of seats in the National Assembly for itself, has purposely raised this problem of dual party membership in order to make things difficult for the Young China Party. As a matter of fact, whether from a legal or moral point of view, this problem is not worthy of discussion.

"Even if it is conceded that it should be found out who is to be blamed for this state of affairs, then those who were responsible for bringing about these bad results are to blame. To be more specific, we must say that the fact that there are those who have dual party membership is the result of one party rule during the past 20 years, and the general public must clearly understand this situation," the *Chung Hwa Shih Pao* concluded.

NEW BOOKS OF INTEREST

A Case

CHINA'S UNFINISHED REVOLUTION *by Israel Epstein. Published by Little, Brown & Co. Boston. 1947. $3.50. 442 pages. Reviewed by H.C.*

THE verdict of the reader when he puts this book down will depend almost entirely on what his opinions were when he picked it up. Those who think the fascism in the present regime of China precludes any credit whatsoever, and that the Communists have the answer to everything will say "This guy is really good. He lays it right on the line." Those who are unhappy about the China they see around them, but are leery of anything done by people who call themselves Communists will say in part, "How true. You see things like that every day," and in part, "That sounds pretty good in some ways. But they can't be doing all that. I just don't believe it. Besides they are Communists." Those who are so blinded by their fear of Communism that they gladly espouse any opposing cause no matter how vicious it is itself and who concede no merit to any whom they themselves designate as Communists will say, "Why this bastard is nothing but another goddamn Red. He doesn't know what he's talking about, and when he does he's lying." For all the feelings at the beginning will be more deeply ingrained at the end. More often than not that is the reaction of the violently partisan. From start to finish there is no qualification in Epstein's castigation of the post '27 Kuomintang, and even less in his extolling of the Kungchangtang.

Mr. Epstein writes about the nearly century old revolution in China. From its first spark in the Taiping Rebellion, its sporadic bursts into flame between then and 1927, always beaten out by that firm partnership of colonialism and feudalism, of the embers nurtured from 1927 to 1935.

But Epstein does not just give a straightforward account. Rather he is making a case. It is as a case that his book must be evaluated. And on the whole the case is not worthy of the cause.

The case is one for the Chinese Communists as the present day exponents of the long frustrated social, political and economic revolution of the Chinese people. Not unnaturally it is at the same time a case against the elements, both within and without, which have so long hampered its progress and prevented its culmination.

His opening statement covers the background from the Taiping rebellion up to the last war. This statement may to some degree set the mood, otherwise it adds little to the case.

The headings of the first chapters are questions such as "What's going on in Asia?" "Why Asia remained backward?" "Who in Asia is anti-foreign?" But these questions are not answered clearly in the chapters.

It is difficult to tell whether he is writing for those who are or those who are not familiar with the circumstances, for his presentation falls in between. He gives too little information for those to whom the subject is new, and at the same time gives a good bit of information that will be repetition for those who have already read a bit in the field. For both the information is in such summary form that it will be of little value.

It is in this part of the book that the author falls into many of the errors so common to enthusiastic young journalists. The sort of things that sometimes make one wonder if reporters should write books like this at all. Of course they should, for they provide a great deal of invaluable information on the developments that the public does not get from any other source.

Probably the worst fault is that of delving into any and all fields; economics, history, philosophy, theology, sociology, anthropology, agriculture, etc. Of course any comprehensive treatment of the developments in any country must correlate all these fields. But many of the boys have the habit of being pretty casual about it. They make in one simple sentence a bland assertion that involves a complex principle and a controversial one at that. A principle that no student in the field would make as a fact or a major premise, but only as a qualified conclusion. One which the student would treat very cautiously. The answer is not for the reporters to stop writing books on the political scene, but, as was the suggestion of the Hutchins report on "A Free and Responsible Press," better training of our journalists. Training in the field with which they have become concerned, with the development of political reporting from the announcement of events to the analysis of causes, and training in the students' approach, careful analysis and careful reasoning.

Epstein's whole presentation is largely one of assertions without any substantiation given. Thus it fails to perform any of the useful functions it should serve. It does not provide additional information on the subject. It does not provide those familiar with the material to crystalize their thinking or to rearrange their ideas in a more orderly manner. It does not provide an analysis of the situation. Even as a case it does not help to sell those who are not already sold. Asserting points or conclusions does not make good sales talk for winning over those who are skeptical of the quality of your line. To sell them you have to demonstrate and illustrate your points. It does provide you with the opinions of one conversant with the field for your consideration. But without the other elements the value of opinions is dependent almost entirely on how much faith you have in the author.

It is in the middle half of the book that Epstein calls his witnesses and presents his evidence. And here he does a bang up job. Here he is reporting, and he does it intelligently and well. As is so often the case when the correspondent gets away from trying to be a writer and confines himself to his own field, intelligent reporting in the broader sense, he sluffs off his pretensions with their hollowness and dishes up interesting reading with a lot of valuable information.

The bulk of the story is that of the growth of the liberated areas during the war. Some of the best material is the freely translated statement of leaders of the movement on which he draws heavily. The growth of the Chinese Communist program is of the utmost significance, not only to China, but to Asia, and the entire world. Its influence is bound to be felt widely regardless of events in the immediate future. The Communists have attacked many of the problems that are common to all the countries of Asia. Land reform, public health, education of the people, gearing production to the needs of the people, awakening the political and social consciousness of the masses, self-dependence, the ability to get along on their own without expecting aid from the outside and reducing the gap between the few on the top and the many on the bottom. The Communists approach to these problems has in many instances been entirely new. Even allowing for undesirable phases and shortcomings it has in many ways been the most successful and effective approach developed in Asia to date. What they have developed will not die easily. Even if they are defeated militarily, which is by no means certain, even if the regime were to be wiped out, the leaders killed off, and the participants suppressed, the achievements and ideas will live in the minds of millions and will be an influence for decades to come.

It, therefore, behooves the world to find out what these achievements and ideas are. Here we are given an opportunity to do so. Epstein has presented one of the few studies of the areas built along comprehensive lines. It is three dimensional: time, space, and content. First the birth of the different areas, then their growth, then the military history, the different social and economic phases. The layout is one that enables the reader to assimilate this rather broad scope in a coordinated way.

The presentation is straightforward, all to the point with no unnecessary and confusing trimmings. The writing is clear and concise bringing out the full interest value of the content.

While reasonably complete as a case it has a glaring weakness. It

would be ripped to shreds under cross examination. But worse, it can be completely destroyed without going to the trouble of cross examination. Epstein simply presents the story of the leaders of the movement, as to what they are doing or trying to do. There is little substantiation given, and even less criticism or qualification. The result is a singularly glowing picture. And a patently false one. The unbeliever will say, "Why, this is just another one of those Communists who is so enamoured of the thing that he just can't see any possible shortcomings in it. Since all he says obviously can't be, and there's plenty of evidence from others that it can't, the whole case can be thrown out."

It is too bad that the case has this weakness, for it is worthy of much greater consideration. In effect what Epstein has done is to present the plan or program with virtually no comment on performance. It can be assumed that there, as everywhere else, there is a gap between program and performance. There is no question but that actualities in the area do not come up to the description Epstein gives. On the other hand there is considerable evidence from other sources that the program has been effected to varying degrees. That the program has not been fully effected is not necessarily a reflection on the program as such. And it in itself is a most interesting one. It is not exclusively Communist. It encourages capitalism, and, as has so often been pointed out, many of its features are common to various third party programs, even to the KMT program. Some have been embodied into the laws of the National government, but they have remained on paper. In many instances it is that very factor of the extent to which the principles have been put into effect that marks the difference between the programs of the Kuomintang and the Kungchantang. Even if the Communist program were only 10 percent effective it would be an achievement worthy of careful consideration. If it were 20 percent effective it would probably be the most effective people's program in Asia. In point of fact the evidence is that it is considerably more effective than that. Hence it is a program worthy of careful consideration, and Epstein has done a valuable service by describing it so ably.

One comment detractors will make will be that Epstein makes no mention of the excesses and brutality of the Communists. In so doing they will be overlooking one of the most interesting phases of Epstein's account. That is the grave concern of the leaders over the initial resistance of the people to the new measure, and the consideration given all along to developing persuasive techniques of indoctrination. That concern is in itself evidence that the Communists do not rely entirely on ruthless imposition of their measures, even granting that there are often brutal excesses. Blind insistence that the Communists rule only by oppression, is too grossly underestimating them, just as the United States grossly underestimates the policy of Russia in Asia. Not that the Communists necessarily would not like to rule by force alone, or would not do so if they thought it would work better. It is simply that they are smart enough to realize that persuasion wherever it can be successful, gives them a much stronger backing. Furthermore it is often successful because they have several things that the people are glad to get once they get the hang of it. It is just as Russia is smart enough to know that by sitting quietly on the sidelines and not indulging in overt acts, spreading her influence by osmosis, while the rest of the powers are busily alienating the sympathies of the people of Asia by their actions, she strengthens her position.

Epstein writes not only of the developments in the areas during the war but also of the anti-war effort of the areas. By way of comparison he shows again how in Kuomintang China the war effort was largely sacrificed to political effort and corruption and ineptness. He shows again how much more effective was the resistance of the Liberated Areas, in spite of the fact that they were fighting mostly behind the enemy lines, that they had negligible resources, that they got no aid from the allies, and that they were subject to active opposition of their own recognized National government.

In his closing statement Epstein relapses to some extent into the fuzziness of his opening statement, but without entirely abandoning the marshaling of evidence as in his main presentation. Here he treats the developments since VJ day. He puts the Chinese revolution in its place in the postwar international scene. He gives a lot of information here, that will give those not familiar with the scene a lot of information, and those familiar with the scene a few new angles. But one must be critical of his factual information. For here he shifts about between reporting and pleading. For instance his account of the duplicity of the Marshall Mission is slanted but fair reporting, while his account of Russia's activities in the North is definitely pleading and not analysis. It is a defense that is for the most part justifiable, but is so one sided as to be nearly as distorted as the accusations usually made against Russia.

His main theme is that basically the postwar developments are not new. It is the same play with the same plot, but with some of the lines rewritten and some of roles altered to fit the changed scene and the temporary indisposition of one of the leading actors. For instance the efforts of the Western powers to keep Russia out of Manchuria is a continuation of a policy established not only before the last war but also before the advent of Communism in Russia.

The fear of Russian Communism and Chinese Communism, is the same old fear of people's movements in Asia that might be detrimental to the colonial or semi-colonial interests. The support of the recognized government that is trying to put down the revolution, is the same old support given during the Taiping Rebellion, during the South China revolts against the moribund Republic in its early years, and during the Communist era in South China. It is the continuation of the century old efforts of the Western powers to thwart the resurgent people's movements and revolution in China, regardless of the name under which it goes.

THE CHINA WEEKLY REVIEW
A Weekly Newspaper Established in 1917

NEXT WEEK . . .

SATURDAY

NOVEMBER 15 . . .

The Kuomintang in Formosa

D. Y. LANNE

●

Red Land Reform

WANG SZE-ZEE

●

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TIME TABLE

72	4	76	6	8	78	2	10	12	16	TRAIN NO.	1	5	15	7	71	3	9	11	75	77
"Tai Hu" Express	I, II Triumph Exp.	II, III Local	I, II III Exp.	I, II Exp.	II, III Local Exp.	I, II Nanking Throu. Exp.	I, II III Night Exp.	I, II Night Exp.	I, II III Night Exp.	STATIONS	I, II Hangchow Throu. Exp.	I, II III Exp.	I, II III Exp.	I, II Exp.	"Tai Hu" Express	I, II Triumph Exp.	I, II III Night Exp.	I, II Night Exp.	II, III Local	II, III Local Exp.
8.30	7.00	7.30	9.00	11.00	12.15	13.30	21.50	23.00	23.30	D SHANGHAI NORTH A	14.45	16.25	18.25	19.35	22.20	22.45	6.35	8.00	10.25	17.10
		8.55	10.16	12.14	13.48		23.27		0.56	D KUNSHAN D		15.24	17.09	18.22			5.28		8.34	16.05
10.13	8.41	9.42	10.57	12.57	14.29	15.17	0.20	1.06	1.43	A D	13.06	14.33	16.23	17.36	20.31	21.06	4.39	5.39	7.10	15.19
10.18	8.48	9.49	11.08	13.04	14.36	15.26	0.27	1.13	1.55	D SOOCHOW A	12.59	14.19	16.17	17.23		20.58	4.32	5.19	7.04	15.09
11.10	9.36	10.45	11.57	13.55	15.35	16.14	1.22	2.08	2.50	A WUSIH D	12.11	13.24	15.14	16.29	19.35	20.10	3.39	4.26	6.00	14.10
	9.42		12.06	14.02		16.23	1.29	2.15	3.00	D A	12.04	13.18	15.08	16.21		20.03	3.33	4.19		
	10.31		12.59	15.03		17.09	2.27	3.13	4.05	A CHANGCHOW D	11.17	12.22	14.05	15.20		19.16	2.35	3.30		
	10.40		13.08	15.15		17.19	2.37	3.25	4.13	D A	11.06	12.09	13.55	15.08		19.06	2.24	3.20		
	11.38		14.00	16.13			3.56	4.29	5.16	A TANYANG D		11.09	12.41	14.05		18.12	1.07	2.03		
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	12.25		14.45	17.17		18.53	4.55	5.27	6.09	D WEST A	9.24	10.21	11.38	12.59		17.15	23.56	1.00		
	13.55		16.10	18.50		20.20	6.30	7.15	7.50	A NANKING D	8.00	9.00	10.00	11.00		15.45	22.00	23.00		

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"Tai Hu" Express
SHANGHAI N. TO:—										
KUNSHAN	52	30,000.	44,000.	16,000.	22,000.	8,000.	12,000.			
SOOCHOW	87	44,000.	58,000.	22,000.	30,000.	12,000.	16,000.	142,000.	84,000.	142,000.
WUSIH	129	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	142,000.	84,000.	156,000.
CHANGCHOW	168	88,000.	116,000.	44,000.	58,000.	22,000.	30,000.	142,000.	84,000.	
TANYANG	213	116,000.	144,000.	58,000.	72,000.	30,000	36,000.	174,000.	102,000.	
CHINKIANG WEST	243	130,000.	160,000.	66,000.	80,000.	34,000.	40,000.	192,000.	112,000.	
NANKING	312	130,000.	160,000.	66,000.	80,000.	34,000.	40,000.	192,000.	112,000.	

SHANGHAI-HANGCHOW LINE
TIME TABLE

23	21	61	67	25	1	41	27	TRAIN NO.	24	42	2	68	26	22	62	28
I, II III Exp.	West Lake Exp.	II, III Ord.	IV Mixed	I, II III Exp.	I, II H'chow Throu. Exp.	II, III Ord.	I, II III Exp.	STATIONS	I, II III Exp.	II, III Ord.	I, II N'king Throu. Exp.	IV Mixed	I, II III Exp.	West Lake Exp.	II, III IV Ord.	I, II III Exp.
6.45	8.00	8.15		11.30	16.00	16.15	22.45	D SHANGHAI NORTH A	9.15	12.15	12.35		18.55	20.05	22.30	23.30
7.05	8.16	8.36	9.00	11.53	16.19	16.36	23.06	D SHANGHAI WEST D	8.58	11.55	12.20	17.20	18.37	19.49	22.13	23.12
7.49		9.46	10.29	12.38	17.03	17.46	23.50	A D	7.51	10.44	11.26	15.29	17.48		21.00	22.16
7.54		9.56	10.40	12.48	17.08	17.51	23.55	D SUNGKIANG A	7.47	10.38	11.21	15.23	17.39		20.54	22.11
9.02	10.02	11.40	12.50	13.50	18.16	19.23	1.06	A D	6.35	9.04	10.13	13.10	16.20	17.54	19.25	21.00
9.16	10.08	11.50	13.15	13.58	18.26	19.33	1.16	D KASHING A	6.28	8.55	10.04	12.45	16.11	17.47	19.12	20.50
10.00		12.33	14.52	14.32	19.01	20.16	1.50	D YEHZAH D	5.56	8.14	9.31	11.53	15.39		18.29	20.18
10.31		13.18	15.56	15.04	19.32	21.01	2.21	A D	5.23	7.27	8.58	10.40	15.06		17.42	19.34
10.36		13.26	16.10	15.11	19.37	21.06	2.26	CHANGAN-TSENG	5.19	7.22	8.54	10.27	15.02		17.37	19.27
11.30	11.55	14.45	18.10	16.20	20.30	22.20	3.35	A HANGCHOW D	4.25	6.10	8.00	8.30	14.00	16.00	16.25	18.25

FARE LIST

STATIONS	Kilo.	I Class Ordinary Express		II Class Ordinary Express		III Class Ordinary Express		"Triumph" Express, Nanking & Hangchow Through Expresses I	"Triumph" Express, Nanking & Hangchow Through Expresses II	"West Lake" Express
SHANGHAI N. TO:—										
SUNGKIANG	45	30,000.	44,000.	16,000.	22,000.	8,000.	12,000.	142,000.	84,000.	
KASHING	99	58,000.	72,000.	30,000.	36,000.	16,000.	18,000.	142,000.	84,000.	142,000.
YEHZAH	126	72,000.	88,000.	36,000.	44,000.	18,000.	22,000.	142,000.	84,000.	
CHANGANTSENG	151	88,000.	116,000.	44,000.	58,000.	22,000.	30,000.	142,000.	84,000.	
HANGCHOW	190	88,000.	116,000.	44,000.	58,000.	22,000.	30,000.	142,000.	84,000.	156,000.

NANKING-SHANGHAI RAILWAY SYSTEM ADMINISTRATION

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